

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**

July 01, 2019 to June 30, 2020

BOARD OF EDUCATION MEMBERS

**Justin Kippenberger, President
Andy Watkins, Vice President
Pamela Doyle
R. Matthew Joyce
Tina Prunier
Mark Tilleson**

**Litona Hoyt, Clerk
John Regier, Treasurer**

SCHOOL ADMINISTRATORS

**Heather Bohaty, Superintendent
Dr. Andy Koenigs, Asst. Superintendent, Human Resources
Dr. Holly Putnam-Jackson, Asst. Superintendent, Curriculum & Instruction**

Prepared by District Administration

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

For the Year Ended June 30, 2020

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DERBY, KANSAS**

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DERBY, KANSAS**

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DERBY, KANSAS**

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INTRODUCTORY SECTION



December 9, 2020

To the Citizens of Unified School District No. 260:

This publication is a Comprehensive Annual Financial Report for Unified School District No. 260 (District) for the fiscal year ended June 30, 2020. Generally Accepted Accounting Principles require that these financial statements present the District (the primary government) and its component units. A component unit is a separate entity for which the District is financially accountable or the nature and significance of the relationship between the District and entity are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has determined that the Derby Recreation Commission meets the criteria of a component unit and the financial data of the Derby Recreation Commission is included in the financial statements as a discretely presented component unit. The report has been prepared by the District administrative team to provide financial information, useful for making economic, political and social decisions and for demonstrating accountability and stewardship. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District administrative team.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Included in the report are all disclosures necessary to enable the reader to gain an understanding of the District's financial activities. Constituents who may find this report useful include voters, taxpayers, service beneficiaries, governing boards, oversight bodies, management, intergovernmental guarantors, investors, lenders and employees.

Swindoll, Janzen, Hawk, & Loyd, LLC, Certified Public Accountants, have issued an unmodified opinion on the District's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the Financial Section of this report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

Profile of the District

The District is a diversified educational institution with over 7,000 students located in southern Sedgwick County. With a population of approximately 53,000 patrons inside the District boundaries, the District enjoys economic benefits and challenges of a large metropolitan area while maintaining a quality of life found in smaller cities. The 50 square miles of the District substantially covers all of the City of Derby and beyond the city limits into large portions of Sedgwick County, including the Oaklawn/Sunview area, McConnell Air Force Base, Towne Parc, Turtle Run, Rockford and Salem Townships. Spirit AeroSystems, Inc. and Mid-Western Aircraft Systems, Inc. are the largest taxpayers located within the District's boundaries. The student population of the school district is expected to increase by about fifty students per year for the foreseeable future.

The District provides a full range of educational services. These services include educational programs for grades PreK-12, Special Education, Title 1 reading and math programs, professional development activities for educators, testing programs, extra- and co-curricular activities, transportation, food services, maintenance and custodial services and general administrative services. The District also regulates community use of school facilities, which totaled 15,937 hours last year.



The District operates under a seven-member Board of Education (Board) that is elected to four-year terms on an at-large basis. The Board hires the Superintendent who appoints the remainder of the management team. All contracts and expenditures must be approved by the Board.

The District has twelve school buildings. Seven of the buildings are at least 50 years old including five of the nine elementary schools. During the 2015-16 year the district opened Derby North Middle School and closed the Derby Sixth Grade Center. The District now has two grade 6-8 middle schools. The high school, the largest building in the District at over 400,000 square feet, is twenty-five years old. The District has six buildings which are used for educational support functions.

The District recently passed a bond issue for upgrading and replacing several aging facilities. A bond issue not to exceed \$114,020,000 was given approval of the community on February 20, 2018. When all projects are completed, our three oldest elementary schools will be razed or sold, with one being completely replaced at a new location and two others will have the majority of the building rebuilt on the same site. In addition, all schools will be complete with storm shelters and significant security upgrades will enhance the safety and security of students and staff. Several buildings, to include Derby High School and Derby Middle School will receive recapitalization of mechanical systems that will provide for the needs of the users for many years to come.

The local economy

The District is the largest employer in the City of Derby, employing approximately 1,192 individuals. The City of Derby has experienced consistent growth during the past ten years. While growth in the area showed a slowing over the past few years, both housing starts and commercial development are once again on the upswing. The area continues to show population growth due to a high quality of life in the community and the relatively low taxes combined with service and retail activity that meet most everyone's needs.

The economic condition and outlook of the District is ever changing. The District is located in the Wichita, Kansas Metropolitan Statistical Area (WMSA). In general, the local economy has been slower to recover in the WMSA than the national economy. Local employment has shown improvement in the WMSA. The local economy was not immune to the COVID-19 pandemic, and business closures, loss of employment was common for the area. The local and state wide economy has improved over the recent months and state revenues have consistently beaten projections.

McConnell Air Force Base is one of the major air refueling wings in the United States Air Force. Since McConnell is located within the District boundaries; we continually adjust to the changing enrollment demands that mobile military communities create for local school districts. Some years, many families move into the area and some years many move on to other assignments. Due to the broad mission of McConnell, demands and needs change often and sometimes with little notice. Though it is sometimes challenging, the Derby District strives to be adaptable and work with the enrollment numbers as they change. It is one way our community can support the Readiness of our military families.

The Legislature

Kansas school districts fall into three distinct enrollment categories, each one educating about one-third of the state's student population. Kansas has a uniform base budget per pupil and a uniform statewide mill levy. The District is considered a medium-size school district. Districts raise their operating funds through a Local Option Budget (LOB) resolution. The 1997 State Legislature made significant changes in the LOB process. For the first time, school boards were able to adopt a portion of LOB authority without being subject to a protest petition. In districts where the per pupil budget is below the average of similar-sized districts – like Derby – boards are allowed to adopt LOBs that would allow them to spend at the average without that increase being subject to a protest petition. The District's LOB authority for the 2019-20 school year was at the 30% maximum, which amounted to \$13,888,727.



The State Supreme Court continues to review the equitable distribution of funds and the adequacy of funding. A ruling was made in the spring of 2018 that said the funding from the state for Capital Outlay Funds and Supplemental General Funds was not equitable or adequate. Changes were made by the legislature in these areas that affected funding for the 2018-19 school year. The State Supreme Court has issued additional rulings towards the end of the 2018-19 year that has increased funding over the next four years starting in 2019-20 school year. The enrollment for the District increased slightly for 2019-20. The total District budget authority for 2019-20 was \$116,045,915.

Relevant financial policies

The administrative team of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition to internal accounting controls, the District maintains budgetary controls. The District's budget is prepared on the modified accrual basis of accounting further modified by encumbrances. The Superintendent and the Board evaluate the budget proposals of the various District organizations to determine the funding level of the operating and public service programs. After giving due consideration to the input received from the citizens, the Board adopts the budget. The adopted budget thus becomes a document that places before the people of the District a clear and precise picture of the cost of public services which will be provided. The budget is appropriately controlled through an online accounting system to assure effective fiscal management and accountability. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education provided the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of that amount adopted by the Board of Education.

Major initiatives

During the 2016-17 school year, the District adopted a fourth strategic plan to guide the District actions for the subsequent five years. We feel that we followed the previous plans and were able to meet the vast majority of the action plans set forth within them. This new plan has five strategies along with specific results and action plans that were developed by teachers, administrators, patrons and community members.

The curriculum committee developed a document for all staff which outlines effective teaching strategies, responsibilities for administrators and teachers, and expectations for the delivery of the curriculum. Staff members are provided in-service time throughout the year on these instructional strategies.

Our technology committee, working closely with our instructional coordinators, continues to integrate technology into our curriculum maps. This idea was based on feedback we received from staff on their level of technology proficiency and their desire to have samples of ways we can integrate technology into our curriculum maps. These strategies are shared with staff during grade level or department meetings conducted by our instructional coordinators. This technology allows teachers another tool in meeting the needs of our students.

USD 260 will continue to collect assessment data and share it with students, parents and the community. Software has also been purchased to record data for easier access by teachers to help guide instruction. Follow up information on graduated seniors was also collected to determine what activities they are involved in after graduation.



Long-Term Financial Planning

The District continues to follow the long-term planning process to fully address needed building improvements. The entire process has been identified as the "Process for Success." The completed master plan has identified the needed improvements into three categories – (1) priority needs; (2) short-term needs and (3) long-term needs. Financial resources for the planned projects will be financed through general obligation bonds and resources available through the District's Capital Outlay Fund. The District presented plans for a \$114.02 million in improvements to the Board of Education and passed by the community in February 2018.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Unified School District No. 260, Derby, Kansas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The 36th year in a row the District has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The certificate is presented following this letter.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The timely preparation of the CAFR was made possible by the dedicated service of the entire staff. Each member of the USD 260 staff who assisted and contributed to its preparation has our sincere appreciation. We also thank the USD 260 BOE members for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,


Heather Bohaty, Superintendent


John Regier,
Directors of Finance/Treasurer


Litona Hoyt, Clerk

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

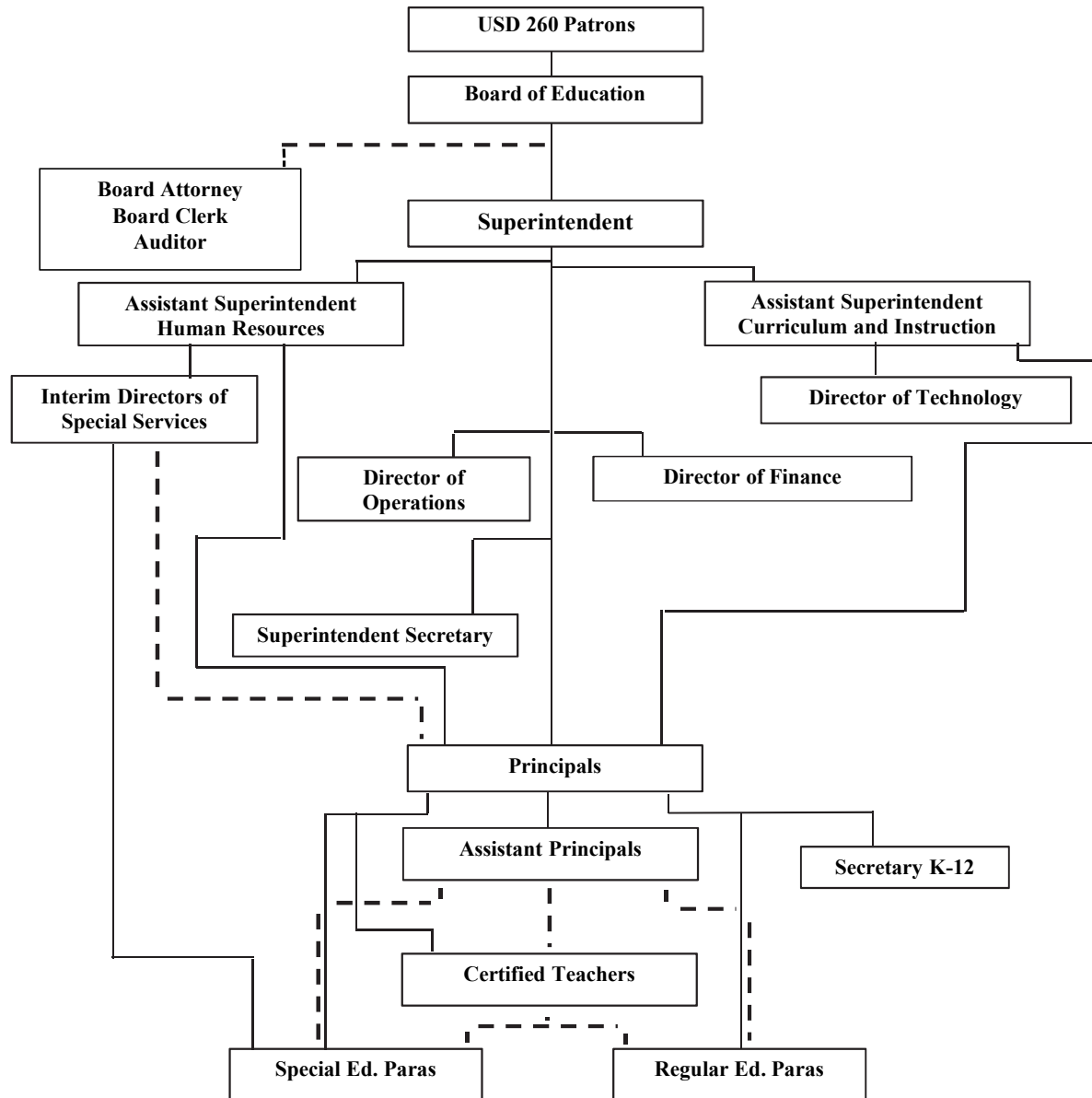
**LIST OF PRINCIPAL OFFICIALS
June 30, 2020**

School Board President	Justin Kippenberger
School Board Vice President	Andy Watkins
School Board Member	Pamela Doyle
School Board Member	R. Matthew Joyce
School Board Member	Tina Prunier
School Board Member	Mark Tilleson
Superintendent	Heather Bohaty
Asst. Supt. Human Resources	Dr. Andy Koenigs
Asst. Supt. Curriculum & Instruction	Dr. Holly Putnam-Jackson
Director of Finance/Treasurer	John Regier
Director of Communications	Katie Carlson
Director of Operations	Burke Jones
Director of Special Services	Luan Sparks
Assistant Director of Special Services	Becky Moeder
Assistant Director of Special Services	Nicole Seeley
Director of Technology	Dennis Elledge
Board Clerk	Litona Hoyt

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

ORGANIZATIONAL CHART

June 30, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Derby Unified School District No. 260
Kansas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 260
Derby, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Unified School District No. 260, Derby, Kansas (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Derby Recreation Commission, which represents 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Unified School District No. 260, Derby, Kansas, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows and the respective budgetary comparison for the General and Special Education Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District had a prior period adjustment related to capital assets. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits other than pensions, the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, and the notes to the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual general and nonmajor fund financial statements and schedules and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual general and nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC

Hutchinson, Kansas

December 10, 2020

Unified School District No. 260, Derby, Kansas
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

This discussion and analysis of the Derby Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB). Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The trends of prior years indicated that during the fiscal year 2019-2020, the Derby Unified School District would experience another year of increases in the cost for special education. The District continues to rely upon the General Fund and Local Option Budget (LOB) to provide funding for these increases.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This Comprehensive Annual Financial Report consists of management's discussion and analysis, the basic financial statements and required supplementary information. These statements are organized so the reader can understand the District as a whole, an entire operating entity. The basic financial statements include two kinds of statements that present different views of the District. The first series of statements are the district-wide financial statements. The second kind of financial statements are the fund financial statements.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

District-Wide Financial Statements

The district-wide financial statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting. This method of accounting is similar to how private sector companies report the results of their operations. These statements take into account all of the current year revenues and expenses regardless of when cash is received or paid.

The first of the district-wide statements is the Statement of Net Position. The Statement of Net Position presents balance information for the entire District operations at a given point in time (June 30, 2020). The assets include all cash and investments, receivables including taxes assessed that remain uncollected and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, claims payable and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Derby Unified School District.

Although the Statement of Net Position reports total net position of \$5.1 million deficit, the District has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the District. Kansas state laws segregate funds and place restrictions on spending. This should be considered when reviewing the report.

The second of the district-wide financial statements is the Statement of Activities. This statement shows the results of operations that caused the net position to change from the prior year to the amount reported on the Statement of Net Position as of June 30, 2020. This statement answers the question, "How did we do financially during fiscal year 2020?" This change in net position is important because it tells the reader that, for the school district as a whole, the financial position has improved or diminished. The statement for 2020 indicates an increase of \$14.9 million in the District's financial position. The causes of this change may be the result of many factors. Most notably, the results are influenced by:

- the property tax base,
- the unfunded KPERS pension liability,
- the unfunded OPEB liabilities,
- operating expenditure limits imposed by Kansas law,
- building improvements,
- number of students served, and
- staff levels.

The Statement of Activities classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that helps support the expenses. The resulting Net (Expenses) Revenue and Changes in Net Position shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in the total change in net position for the year.

REPORTING THE SCHOOL DISTRICT'S MAJOR FUNDS

Fund Financial Statements

Financial statements by fund follow the district-wide statements. These statements provide more detail about the District according to the various funds established under Kansas law. The major funds are listed separately with all non-major funds aggregated in the column labeled "Other Governmental Funds." As shown on the reconciliations the fund statements differ from the district-wide statements (Statement of Net Position and Statement of Activities) by excluding the following:

- cost of capital assets less accumulated depreciation,
- deferred outflows of resources related to pension and OPEB liabilities,
- long-term liabilities and,
- deferred inflows of resources related to pension and OPEB liabilities.

The District's two kinds of funds are governmental and fiduciary funds.

Governmental Funds

Most of the District's activities are reported in the governmental funds, which focus on 1) how cash and other financial assets, that can be readily converted to cash, flow in and out and 2) the balances left at year end that are available for spending. The statements show revenue, expenditures and fund balances for each listed fund.

The fund classifications provide additional information about the entity. The General and Special Education funds encompass the major operating funds. The Capital Outlay fund is the primary source for the purchase of furniture, equipment and for major repairs and improvements to buildings and grounds. The Debt Service fund is used to pay outstanding general obligation bonds and related interest charges as they become due.

Fiduciary Funds

The District's fiduciary funds are comprised of agency funds. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include student activity monies at the various schools. The District's agency funds are reported on the Statement of Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was \$(5,113,237) on June 30, 2020.

DERBY UNIFIED SCHOOL DISTRICT NO. 260'S NET POSITION

	<u>2020</u>	<u>2019</u>	Change Increase (Decrease)
Current and other assets	\$ 94,149,778	\$ 134,067,322	\$ (39,917,544)
Capital assets, net	<u>142,613,963</u>	<u>93,509,091</u>	<u>49,104,872</u>
Total assets	<u>236,763,741</u>	<u>227,576,413</u>	<u>9,187,328</u>
Deferred outflows of resources	<u>21,213,914</u>	<u>21,065,480</u>	<u>148,434</u>
Long-term liabilities	251,080,079	256,449,568	(5,369,489)
Other liabilities	<u>6,716,341</u>	<u>4,886,850</u>	<u>1,829,491</u>
Total liabilities	<u>257,889,228</u>	<u>257,889,228</u>	<u>-</u>
Deferred inflows of resources	<u>5,294,472</u>	<u>7,325,095</u>	<u>(2,030,623)</u>
Net position:			
Net investment in capital assets	28,018,137	22,883,004	5,135,133
Restricted for capital projects	13,238,501	1,695,097	11,543,404
Restricted for debt service	7,843,981	5,275,062	2,568,919
Restricted for educational purposes	9,019,434	9,679,733	(660,299)
Unrestricted	<u>(63,233,290)</u>	<u>(59,552,516)</u>	<u>(3,680,774)</u>
Total net position	<u>\$ (5,113,237)</u>	<u>\$ (20,019,620)</u>	<u>\$ 14,906,383</u>

The most significant changes from the preceding year include:

- Increase in capital assets due to new construction.
- Decrease in deferred outflows and inflows of resources due to the actuarial valuations of pension and other post-employment benefits.
- Changes in net assets are primarily from the effects of the above activities on their respective net asset categories.

DERBY UNIFIED SCHOOL DISTRICT No. 260'S CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>	Change Increase (Decrease)
Revenues:			
Charges for services	\$ 3,353,130	\$ 4,472,784	\$ (1,119,654)
Operating grants and contributions	23,183,951	20,079,937	3,104,014
General revenues:			
Property taxes levied for:			
General purposes	6,938,228	6,900,537	37,691
Debt service	7,913,588	7,054,501	859,087
Capital outlay	3,937,068	3,772,870	164,198
Grants and entitlements not restricted to specific programs	46,120,419	42,143,260	3,977,159
Investment earnings	<u>2,863,048</u>	<u>2,497,169</u>	<u>365,879</u>
Total revenues	<u>94,309,432</u>	<u>86,921,058</u>	<u>7,388,374</u>
Expenses:			
Instruction	44,102,860	57,957,142	(13,854,282)
Student support services	5,520,317	5,421,288	99,029
Instructional support services	2,042,131	2,036,657	5,474
General administration	1,621,967	1,632,921	(10,954)
School administration	3,918,312	3,901,162	17,150
Operations and maintenance	1,655,449	7,312,041	(5,656,592)
Central support services	7,509,467	1,273,650	6,235,817
Student transportation services	2,163,150	2,191,184	(28,034)
Other support services	458,614	492,720	(34,106)
Food service operations	3,585,931	3,495,392	90,539
Community service operations	145,024	145,011	13
Recreation	-	-	-
Interest on long-term debt	<u>5,924,004</u>	<u>5,934,787</u>	<u>(10,783)</u>
Total expenses	<u>78,647,226</u>	<u>91,793,955</u>	<u>(13,146,729)</u>
Increase (decrease) in net position	<u>15,662,206</u>	<u>(4,872,897)</u>	<u>20,535,103</u>
Net position at July 1, as previously reported	(20,019,620)	(16,620,633)	(3,398,987)
Prior period adjustments	<u>(755,823)</u>	<u>1,473,910</u>	<u>(2,229,733)</u>
As restated	<u>(20,775,443)</u>	<u>(15,146,723)</u>	<u>(5,628,720)</u>
Net position at June 30	<u>\$ (5,113,237)</u>	<u>\$ (20,019,620)</u>	<u>\$ 14,906,383</u>

The most significant changes from the preceding year include:

- Property taxes levied – Property taxes overall increased approximately \$1.06 million. This is due to the increase of 24.9 million in assessed valuation. As well as the increase in the debt service fund to finance the new bond issue.

- Charges for Services – Due to the closure of schools in March, charges for the following services were all down: Latchkey, Medicaid, Food Service, and gate receipts from activity funds. The District also had a technology buy back in the amount of \$381,000 from AGI Buyback from the sale of surplus equipment in FY-19 that was not repeated in FY-20.
- Investment earnings – The 2018 bond issue proceeds were put into an investment account at the end of the FY 2018. During the FY 2020, these proceeds earned approximately \$2.5 million, which accounts for the increase over prior year.
- Instruction expense decreased from prior year \$13.8 million. \$5.5 million is attributable to the cleanup of prior year, \$7.6 is the decrease is due to the capitalization of construction in progress for instruction buildings. The remainder is due to the decrease in the net pension liability and the changes to the early retirement policy.

DISTRICT FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$88.6 million. This is a decrease of \$42.0 million from FY 19.

DERBY UNIFIED SCHOOL DISTRICT No. 260'S CHANGES IN FUND BALANCE

	2020	2019	Change Increase (Decrease)
Governmental Funds			
General	\$ 4,205,851	\$ 3,991,177	\$ 214,674
Special Education	1,228,896	1,288,106	(59,210)
Debt Service	7,843,981	6,984,148	859,833
Capital Outlay	5,514,033	4,375,897	1,138,136
2018 Bond Project	66,168,430	109,576,317	(43,407,887)
Other Governmental Funds	3,606,608	4,387,494	(780,886)
Total Governmental Fund balances	<u>\$ 88,567,799</u>	<u>\$ 130,603,139</u>	<u>\$ (42,035,340)</u>

General Fund

The School District's budget is prepared according to Kansas State Statutes and is based on the statutory basis of accounting, modified further by the encumbrance method of accounting. The most significant budgeted fund is the General Fund.

Kansas Statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education, providing the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of the amount originally adopted by the Board of Education.

The District's total General fund budget was not amended in FY 20. However, the final legal maximum budget was reduced by \$2,121,203 to match funding weightings to audited amounts.

The District's ending unobligated cash balance in the General fund was \$0, the same as the final budgeted fund balance amount.

Special Education Fund

The Special Education fund balance remained stable FY 20, with a small decrease of \$59,210. The ending fund balance will enable the District to fund the program until state aid is received in October. Since Special Education is a special revenue fund, all fund balances are restricted for special education purposes.

Debt Service Fund

The Debt Service restricted fund balance of \$6.9 million is available only to make principal and interest payments on the long-term debt obligations of the District, as authorized by the various bond elections. The fund balance increased by \$859,833 to a total fund balance of \$7.8 million. This increase is due to the increase in state aid and property tax levied. The mill levy increase from 7.478 in FY 18 to 16.706 in FY 20 to fund future debt obligations resulting from the 2018 and 2019 bond issues. The entire fund balance on June 30, 2020 is restricted for payment of bond principal, interest, and issuance costs.

Capital Outlay Fund

The District has the authority to levy up to 8 mills in the Capital Outlay fund. The District levied 8 mills during the FY 20 year to take full advantage of the state aid.

Capital Outlay Fund revenues exceeded expenditures by \$1.00 million due to proceeds from the sale of surplus equipment and projects coming in better than originally planned, resulting in an ending balance of \$5.5 million primarily for projects related to facility improvement, utility equipment updates, and technology purchases for student learning opportunities.

2018 Bond Project Fund

Interest earnings on the bond investments totaled \$2,725,157 during 2020. The bond project expenditures incurred during 2020 were related to construction of \$46,133,044 resulting in an ending fund balance of \$66,168,430. The entire fund balance is restricted for the construction related project expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal 2019 and 2020 years, the District had a net investment of \$92.6 million and \$142.6 million respectively invested in land, buildings, vehicles, artwork and equipment. Continued increases are expected as construction and remodeling projects under the 2018 bond issues are completed.

DERBY UNIFIED SCHOOL DISTRICT No. 260'S CAPITAL ASSETS - NET OF DEPRECIATION

	2020	2019	Change Increase (Decrease)
Land	\$ 3,990,923	\$ 2,473,007	\$ 1,517,916
Buildings and improvements	72,591,075	69,557,012	3,034,063
Improvements other than buildings	2,808,332	4,274,748	(1,466,416)
Furniture and equipment	5,876,724	5,599,163	277,561
Construction work in process	57,346,909	11,058,161	46,288,748
Total capital assets - net of depreciation	<u>\$ 142,613,963</u>	<u>\$ 92,962,091</u>	<u>\$ 49,651,872</u>

Long-term Debt

Kansas statutes limit the amount of outstanding indebtedness. The District has \$165.8 million outstanding (subject to the debt limit) on June 30, 2020.

DERBY UNIFIED SCHOOL DISTRICT No. 260'S Outstanding Debt, at End of Year

	<u>2020</u>	<u>2019</u>	<u>Change Increase (Decrease)</u>
Series 2012	\$ 20,495,000	\$ 22,970,000	\$ (2,475,000)
Series 2014	2,405,000	2,605,000	(200,000)
Series 2016 Refunding	29,060,000	29,160,000	(100,000)
Series 2018	107,675,000	107,775,000	(100,000)
Series 2019	<u>6,150,000</u>	<u>6,150,000</u>	<u>-</u>
Total outstanding debt	<u>\$ 165,785,000</u>	<u>\$ 168,660,000</u>	<u>\$ (2,875,000)</u>

The change in outstanding debt is a result of the normal annual bond payments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Unified School District No. 260, 1550 E Walnut Grove Rd., Derby, Kansas 67037.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Net Position
June 30, 2020**

	Governmental Activities	Component unit
Assets		
Cash, cash equivalents and investments	\$ 90,900,918	\$ 4,106,900
Receivables:		
Accrued interest	187,092	-
Property taxes	479,283	-
State aid	2,334,989	-
Federal aid	247,496	-
Other	-	56,570
Capital assets:		
Nondepreciable - land, construction in progress, other	61,337,832	-
Other capital assets, net of accumulated depreciation	81,276,131	9,203,396
Total assets	<u>236,763,741</u>	<u>13,366,866</u>
Deferred outflows of resources		
Deferred charge on refunding	5,492,322	-
Pension contributions subsequent to the measurement date	6,458,767	-
Deferred outflows relating to pensions	8,548,179	382,167
Deferred outflows relating to other post employment benefits - healthcare	55,810	-
Deferred outflows relating to other post employment benefits - KPERS	210,617	-
OPEB contributions subsequent to the measurement date - KPERS	448,219	-
Total deferred outflows of resources	<u>21,213,914</u>	<u>382,167</u>
Liabilities		
Accounts payable	2,171,407	212,426
Accrued salaries and wages payable	2,931,290	210,962
Accrued interest payable	1,613,643	12,331
Noncurrent liabilities:		
Due within one year	7,189,208	276,153
Due in more than one year	243,890,872	6,444,987
Total liabilities	<u>257,796,420</u>	<u>7,156,859</u>
Deferred inflows of resources		
Deferred inflows for property taxes receivable	479,283	-
Deferred inflows relating to pensions	4,215,851	125,329
Deferred inflows relating to other post employment benefits - healthcare	456,701	-
Deferred inflows relating to other post employment benefits - KPERS	142,637	-
Total deferred inflows of resources	<u>5,294,472</u>	<u>125,329</u>
Net Position:		
Net investment in capital assets	28,018,137	4,118,396
Restricted for:		
Instruction and support services	7,562,352	-
Facilities and capital projects	13,238,501	-
Debt service	7,843,981	-
Special education	1,228,896	-
Nutrition services	228,186	-
Employee benefits	-	26,726
Unrestricted	<u>(63,233,290)</u>	<u>2,321,723</u>
Total net position	<u>\$ (5,113,237)</u>	<u>\$ 6,466,845</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Activities
June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Total Governmental Activities	Component Unit
Governmental Activities:						
Instruction	\$ 44,102,860	\$ 1,827,996	\$ 11,224,775	\$ -	\$ (31,050,089)	\$ -
Student support services	5,520,317	453,642	3,462,899	-	(1,603,776)	-
Instructional support services	2,042,131	-	488,286	-	(1,553,845)	-
General administration	1,621,967	-	1,188,003	-	(433,964)	-
School administration	3,918,312	-	37,954	-	(3,880,358)	-
Central support services	1,655,449	-	48,862	-	(1,606,587)	-
Operations and maintenance	7,509,467	101,098	2,195,145	-	(5,213,224)	-
Student transportation services	2,163,150	-	91,733	-	(2,071,417)	-
Other support services	458,614	-	-	-	(458,614)	-
Food service operations	3,585,931	970,394	1,677,602	-	(937,935)	-
Community service operations	145,024	-	-	-	(145,024)	-
Interest on long-term debt	5,924,004	-	2,768,692	-	(3,155,312)	-
Total Governmental Activities	<u>\$ 78,647,226</u>	<u>\$ 3,353,130</u>	<u>\$ 23,183,951</u>	<u>\$ -</u>	<u>(52,110,145)</u>	<u>-</u>
Component Unit:						
Derby Recreation Commission	<u>\$ 5,467,662</u>	<u>\$ 2,063,617</u>	<u>\$ 16,315</u>	<u>\$ -</u>	<u>-</u>	<u>(3,387,730)</u>
General Revenues and Transfers:						
General Revenues:						
Property taxes levied for:						
General purposes					6,938,228	2,752,785
Debt service					7,913,588	-
Capital outlay					3,937,068	-
Employee benefits					-	954,793
State aid not restricted to specific purposes					46,120,419	-
Investment earnings					2,863,048	41,579
Total general revenues and transfers					<u>67,772,351</u>	<u>3,749,157</u>
Change in net position					<u>15,662,206</u>	<u>361,427</u>
Net position (deficit) at beginning of year:						
As previously reported					(20,019,620)	6,105,418
Prior period adjustments					(755,823)	-
As restated					<u>(20,775,443)</u>	<u>6,105,418</u>
Net position at end of year					<u>\$ (5,113,237)</u>	<u>\$ 6,466,845</u>

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Balance Sheet - Governmental Funds
June 30, 2020**

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash, cash equivalents and investments	\$ 3,861,661	\$ 1,787,707	\$ 7,843,981	\$ 5,648,076	\$ 66,654,167	\$ 5,105,326	\$ 90,900,918
Accrued interest receivable	-	-	-	-	187,092	-	187,092
Property taxes receivable	167,092	-	210,478	95,042	-	6,671	479,283
State aid receivable	2,334,989	-	-	-	-	-	2,334,989
Federal receivable	-	-	-	-	-	247,496	247,496
Due from others	222,384	-	-	-	-	-	222,384
Total assets	\$ 6,586,126	\$ 1,787,707	\$ 8,054,459	\$ 5,743,118	\$ 66,841,259	\$ 5,359,493	\$ 94,372,162
Liabilities:							
Accounts payable	\$ 323,745	\$ 23,689	\$ -	\$ 134,043	\$ 672,829	\$ 1,017,100	\$ 2,171,406
Accrued salaries & wages payable	1,889,438	535,122	-	-	-	506,730	2,931,290
Due to other funds	-	-	-	-	-	222,384	222,384
Total liabilities	2,213,183	558,811	-	134,043	672,829	1,746,214	5,325,080
Deferred Inflows of Resources:							
Property taxes receivable	167,092	-	210,478	95,042	-	6,671	479,283
Fund Balances:							
Restricted	-	-	7,843,981	-	61,305,216	3,308,596	72,457,793
Committed	4,120,585	1,228,816	-	4,959,961	-	298,012	10,607,374
Assigned	63,344	80	-	554,072	4,863,214	-	5,480,710
Unassigned	21,922	-	-	-	-	-	21,922
Total fund balances	4,205,851	1,228,896	7,843,981	5,514,033	66,168,430	3,606,608	88,567,799
Total liabilities, deferred inflows and fund balances	\$ 6,586,126	\$ 1,787,707	\$ 8,054,459	\$ 5,743,118	\$ 66,841,259	\$ 5,359,493	\$ 94,372,162

The accompanying notes are an integral part of the financial statements.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2020**

Total Governmental Fund Balances		\$ 88,567,799
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (capital assets net of accumulated depreciation):		
Cost	\$ 212,753,147	
Accumulated depreciation	<u>(70,139,184)</u>	
		142,613,963
Deferred outflows of resources related to unamortized refunding bond costs are not due as a payable in the current period and therefore are not reported as liabilities in the funds		5,492,322
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position		15,006,946
Pension fundings are reported as a revenue in the funds and as a deferred inflows of resources in the governmental activities in the statement of net position		(4,215,851)
Other than pension benefits (OPEB) payments are reported as expenditures in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position		714,646
Other than pension benefits (OPEB) funding are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position		(599,338)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	1,613,645	
Compensated absences payable	608,984	
Other postemployment benefits payable - healthcare	2,014,325	
Other postemployment benefits payable - KPERS	798,515	
Early retirement payable	7,241,513	
Net pension liability payable	60,661,742	
General obligation bonds payable	165,785,000	
Unamortized premium on general obligation bonds	11,049,351	
Capital lease obligations payable	<u>2,920,649</u>	
		<u>(252,693,724)</u>
Net Position of Governmental Activities		<u>\$ (5,113,237)</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Revenues, Expenditures and Changes
In Fund Balances - Governmental Funds
Year Ended June 30, 2020**

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 6,675,635	\$ -	\$ 7,913,588	\$ 3,937,068	\$ -	\$ 262,593	\$ 18,788,884
State aid	34,717,405	10,105,866	2,768,692	1,613,916	-	14,749,630	63,955,509
Federal aid	122,669	1,767,907	-	52,572	-	3,298,500	5,241,648
Charges for services	450,515	14,373	-	-	-	1,864,724	2,329,612
Earnings on investments	-	-	-	132,722	2,725,157	5,169	2,863,048
Contributions	-	-	-	-	-	19,540	19,540
Other	743,480	25,903	-	202,196	-	139,613	1,111,192
Total revenues	42,709,704	11,914,049	10,682,280	5,938,474	2,725,157	20,339,769	94,309,433
Expenditures:							
Current:							
Instruction	24,932,598	8,233,316	-	2,494,111	-	14,242,300	49,902,325
Student support services	2,385,365	2,362,661	-	28,120	-	1,093,824	5,869,970
Instructional support services	1,646,142	1,761	-	11,871	-	437,243	2,097,017
General administration	1,019,499	492,069	-	546	-	140,472	1,652,586
School administration	3,335,702	257,045	-	8,915	2,840	415,114	4,019,616
Central support services	1,412,865	-	-	248,225	-	100,880	1,761,970
Operation and maintenance	6,025,021	5,137	-	1,400,070	296,415	594,534	8,321,177
Student transportation services	1,166,388	621,270	-	592,081	-	248,548	2,628,287
Other support services	426,426	-	-	16,399	-	25,226	468,051
Food service operation	-	-	-	-	-	3,602,112	3,602,112
Community service operations	145,024	-	-	-	-	-	145,024
Architectural and engineering services	-	-	-	-	-	220,402	220,402
Site maintenance	-	-	-	-	15,918,123	-	15,918,123
Capital Outlay:							
Facilities acquisition and construction	-	-	-	-	29,915,666	-	29,915,666
Debt service:							
Principal	-	-	2,875,000	-	-	-	2,875,000
Interest and other charges	-	-	6,947,447	-	-	-	6,947,447
Total expenditures	42,495,030	11,973,259	9,822,447	4,800,338	46,133,044	21,120,655	136,344,773
Revenues over (under) expenditures	214,674	(59,210)	859,833	1,138,136	(43,407,887)	(780,886)	(42,035,340)
Other Financing Sources (Uses):							
Transfers in	1,000,000	-	-	-	-	-	1,000,000
Transfers out	(1,000,000)	-	-	-	-	-	(1,000,000)
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	214,674	(59,210)	859,833	1,138,136	(43,407,887)	(780,886)	(42,035,340)
Fund balances, beginning year	3,991,177	1,288,106	6,984,148	4,375,897	109,576,317	4,387,494	130,603,139
Fund balances, end of year	\$ 4,205,851	\$ 1,228,896	\$ 7,843,981	\$ 5,514,033	\$ 66,168,430	\$ 3,606,608	\$ 88,567,799

The accompanying notes are an integral part of the financial statements.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020**

Net Change in Fund Balances - Total Governmental Funds		\$ (42,035,340)
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays	\$ 55,039,705	
Depreciation	<u>(5,016,341)</u>	
Excess capital outlays over depreciation		50,023,364
In the statement of activities, the loss on the disposition of capital assets is reported as a functional expense whereas, in the governmental funds statement a loss on disposition of capital assets is not reported		
		(162,669)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		
		95,441
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities.		
		4,374,778
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bond payments	2,875,000	
Capital lease obligation payments	<u>1,017,887</u>	
Total payments on long-term liabilities		3,892,887
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Early retirement payable	(1,297,150)	
Compensated absences payable	172,025	
Other postemployment benefits payable - healthcare, including deferred outflows and inflows	(40,866)	
Other postemployment benefits payable - KPERS, including deferred outflows and inflows	215,378	
Unamortized bond refunding costs	(626,484)	
Amortization of premium on issuance of general obligation bonds	<u>1,050,842</u>	
Total other expenses		<u>(526,255)</u>
Change in Net Position of Governmental Activities		<u>\$ 15,662,206</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Budgetary Basis
General Fund
Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
State aid	\$ 47,190,691	\$ 45,069,488	\$ 45,120,419	\$ 50,931
Federal aid	173,600	173,600	122,669	(50,931)
Miscellaneous	-	734,880	734,880	-
Total revenues	47,364,291	45,977,968	45,977,968	-
Expenditures and encumbrances:				
Instruction	22,443,527	22,443,527	21,899,197	(544,330)
Student support services	1,138,066	1,138,066	1,667,916	529,850
Instructional support services	26,860	26,860	468,670	441,810
General administration	300	300	842	542
School administration	3,151,938	3,151,938	3,141,205	(10,733)
Central support services	808,264	808,264	622,544	(185,720)
Operation and maintenance	643,709	643,709	809,624	165,915
Student transportation services	1,100,225	1,100,225	1,055,706	(44,519)
Other support services	523,433	523,433	297,749	(225,684)
Community service operations	-	-	145,024	145,024
Transfers out	17,527,969	17,527,969	15,869,491	(1,658,478)
Total expenditures and encumbrances	47,364,291	47,364,291	45,977,968	(1,386,323)
Adjustment to legal maximum budget	-	(2,121,203)	-	2,121,203
Adjustment for other reimbursed expenses	-	734,880	-	(734,880)
Total expenditures and transfers subject to budget	47,364,291	45,977,968	45,977,968	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -	\$ -
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Separately budgeted general fund subfunds:				
Supplemental General, including \$697,404 of encumbrances			682,588	
Professional Development, including \$1,256 of encumbrances			35,945	
Summer School			8,171	
Non-budgeted general fund subfunds:				
Contingency Reserve			3,393,881	
Latchkey Program, including \$12,879 of encumbrances			25,949	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			59,317	
GAAP fund balance, end of year			\$ 4,205,851	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Special Education Fund
Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Federal aid	\$ 2,000,000	\$ 2,000,000	\$ 1,767,907	\$ (232,093)
Charges for services	-	-	14,373	14,373
Miscellaneous	25,000	25,000	25,902	902
Transfers in	9,741,693	9,741,693	10,105,866	364,173
Total revenues	11,766,693	11,766,693	11,914,048	147,355
Expenditures and encumbrances:				
Instruction	9,036,748	9,036,748	8,232,907	(803,841)
Student support services	2,460,071	2,460,071	2,362,661	(97,410)
Instructional support services	3,775	3,775	995	(2,780)
General administration	302,226	302,226	491,911	189,685
School administration	382,403	382,403	257,045	(125,358)
Central support services	-	-	-	-
Operation and maintenance	-	-	5,137	5,137
Student transportation services	730,673	730,673	608,778	(121,895)
Other support services	125,000	125,000	-	(125,000)
Total expenditures and encumbrances	13,040,896	13,040,896	11,959,434	(1,081,462)
Revenues over (under) expenditures and encumbrances	(1,274,203)	(1,274,203)	(45,386)	1,228,817
Unencumbered cash, beginning of year	1,274,203	1,274,203	1,274,201	(2)
Unencumbered cash, end of year	\$ -	\$ -	\$ 1,228,815	\$ 1,228,815
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 1,228,815	
Encumbrances			81	
GAAP fund balance, end of year			\$ 1,228,896	

The accompanying notes are an integral part of the financial statements.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	Agency Funds
Assets:	
Cash including investments	<u>\$ 2,565,181</u>
Liabilities	
Accounts payable	<u>\$ 2,565,181</u>

NOTES TO FINANCIAL STATEMENTS

**UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

Notes to the Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Derby Unified School District No. 260 (the District) is a Kansas school district governed by an elected seven-member board. As required by generally accepted accounting principles in the United States of America (GAAP), these financial statements present Derby Unified School District No. 260 (the primary government) and its component unit. The component unit discussed in the following paragraphs is included in the District's reporting entity because the primary government is considered financially accountable for it.

The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District and to differentiate its financial position and results of operations from that of the primary government. The District's component unit is accounted for using the same principles as the governmental fund types of the District.

The Derby Recreation Commission was established pursuant to Kansas Statutes to operate a system of public recreation in Derby, Kansas. The District appoints two of the five members of the Board of Commissioners of the Derby Recreation Commission. The Derby Recreation Commission taxes are levied under the taxing authority of the District. These taxes are accounted for in the Recreation and Recreation - Employee Benefits funds of the District. The Derby Recreation Commission may not acquire real property or issue debt without the approval of the District. Any lease entered into by the Derby Recreation Commission may be subject to approval of the District. The Derby Recreation Commission is included in the financial statements of the District as a discretely presented component unit. Complete financial statements for the Derby Recreation Commission may be obtained at the Derby Recreation Commission, 801 East Market, Derby, Kansas 67037.

Basis of presentation

The financial statements of the District have been prepared in conformity with accounting principals generally accepted in the United States of America as applied to governmental units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant accounting policies of the District are described here-in.

The District's basic financial statements include both government-wide, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net position and the statement of activities display information about the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund financial statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements. Expenditures in the financial statements are grouped by function. The following are descriptions of the District's functions;

Instruction - activities dealing directly with the interaction between teachers and students, and contracted instructional services.

Student support services - Activities designed to assess and improve the well-being of students and to supplement the teaching process.

Instructional support services - Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

General administration - Activities concerned with establishing and administering policy for operating the school district.

School administration - Activities concerned with overall administrative responsibility for a school.

Central support services - Activities concerned with supporting other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

Operations and maintenance - Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the groups, buildings, and equipment in effective working condition.

Student transportation services - Activities concerned with conveying students to and from school, as provided by state and federal law.

Other support services - All other support services not classified elsewhere.

Food services operations - Activities concerned with providing food to students and staff in the school district.

Community service operations - Activities concerned with providing community services to students, staff, or other community participants.

Architectural and engineering services - The activities of architects and engineers related to acquiring and improving sites and buildings for those preliminary activities that may or may not result in additions to the school district's property.

Facilities acquisition and construction - Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites.

Debt service - Activities relating to servicing the long-term debt of the school district, including payments of both principal and interest.

The District's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement focus and basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements, except for agency funds, which have no measurement focus. All assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The District reports the following major governmental funds:

General Fund - the General Fund is the District's primary operating fund.

Special Education Fund - used to account for programs which deliver educational services to special needs students. Major resources include federal and state aid are restricted for this purpose.

Debt Service Fund - used to account for the payment of principal and interest on the District's general obligation bonds.

Capital Outlay Fund - used to account for tax revenues and other sources which are primarily utilized for the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of District buildings.

2018 Bond Project Fund - used to account for the proceeds and redemption of the general obligation bonds issued April 21, 2018 in the principal amount of \$2,000,000; \$107,775,000 issued May 21, 2018; and \$6,150,000 issued May 1, 2019 that were approved by the voters in the District on February 20, 2018. The proceeds of the bonds are being used to (a) construct, equip and furnish additions to and make renovations and other improvements, including storm shelters, to existing District facilities: Tanglewood Elementary, Derby Hills Elementary, Park Hill Elementary, Swaney Elementary, El Paso Elementary, Wineteer Elementary, Derby Middle School and Derby High School for enhanced safety and security, improved teaching and learning environments, educational and building operating efficiencies, and ADA and other code compliance; (b) construct, equip and furnish a new 3-section Elementary School within the District; (c) construct, equip and furnish a new District facility for Education Support Services/Special Services/Administration and Storm Shelter to be located at the Tanglewood Elementary site; (d) demolish portions and construct, equip, and furnish replacement additions to the existing Oaklawn Elementary and Cooper Elementary Schools within the District; (e) remodel and make needed improvements to the District Maintenance and Transportation Buildings; (f) make needed improvements to District Athletic facilities; (g) make all other necessary improvements appurtenant thereto; and (h) pay the costs of issuance and interest on the general obligation bonds of the District issued to finance the project during the construction thereof.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

In addition, the District reports agency funds to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include payroll withholding, sales tax collections and student activity monies at the various schools. They also include the Recreation Commission funds as these are not the District's monies, but act as the tax levying and collection entity on the Recreation Commission's behalf. These funds are then remitted to the Recreation Commission.

Cash, cash equivalents and investments

Cash resources of the individual funds (except for the proceeds of general obligation bonds, which are separately invested) are combined to form a pool of cash and temporary investments that are managed by the District Treasurer. Investments of the pooled accounts consist primarily of certificates of deposits. Interest income earned is allocated to various funds based upon statutory requirements detailed in K.S.A. 72-5166. Restricted cash and investments include the unspent proceeds from general obligation bond issues.

For purposes of the statement of cash flows, the District considers all investments by fund in the District's cash and investment pool to be cash equivalents.

K.S.A. 12-1675 authorizes the District to invest moneys not regulated by other statutes in: savings deposits, time deposits, certificates of deposit with maturities not more than two years, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, direct obligations of or obligations that are insured by the United States or any agency thereof, and the Kansas Municipal Investment Pool.

District investments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District uses the fair value hierarchy established by Generally Accepted Accounting Principles which require an entity to maximize the use of observable inputs when measuring fair value.

Investments of proceeds of long-term debt are governed by specific statutes and authorize the District to invest in direct obligations of the U.S. government or any other agency thereof, money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof, obligations of any municipality of Kansas, or investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

Inventories

Inventories are considered to be immaterial and are not recorded.

Receivables

Taxes are assessed on a calendar-year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all tax entities within the county. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Tax installments paid to the County Treasurer in May are budgeted to finance the current year's operations and are distributed to the District prior to fiscal year end. State statutes provide that in the month of June of each school year, payment (from the State to District) shall be made of the full amount of the general state aid for the year. The State did not make the final state aid payment of \$2,334,989 for the fiscal year ended June 2020 until July 2020. The District was instructed by the State to record the final payment as though it has been received on June 30, 2020. This receipt was recorded for the budgeted basis; however it was recorded as a receivable by the General and Supplemental General Funds for the government-wide and fund financial statements.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year-end will be eliminated in the subsequent year. As a general rule the effect of all other interfund activity has been eliminated from the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets, and construction in progress are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of \$5,000 or more, and a useful life of more than one year. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available.) Donated capital assets are valued at their acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are completed and placed into operation.

Depreciation is computed using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Life/Years</u>
Buildings	30
Improvements	15
Machinery and equipment	3 - 15

Assets acquired with funds received through federal grants, must be used in accordance with the terms of the grant. Federal regulations require, in some instances, the District to reimburse the federal government for any assets that the District retains for its own use after the termination of the grant unless otherwise provided for by the grantor.

Compensated absences

The District provides compensated absence benefits for the following:

Vacation - All permanent full-time and part-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts. Vacation benefits accrue as payable at a rate from .42 days to 1.67 days per month depending on length of continuous full-time employment.

Sick leave - Sick leave days accumulate as payable at a rate of 1.33 days per month to a maximum of 180 days. Sick leave accumulated beyond 180 days is payable annually at three-fourths the daily rate. Accumulated sick leave under 180 days is payable upon separation from the District.

The compensated absences liability is reported on the government-wide financial statements. The liability is based on current salary costs and the vested portion of accumulated benefits.

Early Retirement - The District maintains a policy of paying early retirement salary to certain former employees, who qualify, for a period not to exceed ten years subsequent to their early retirement date. Early retirement is defined under the program as retirement in or after the school year in which the employee reaches the age of 55, but before the school year the employee reaches the age of 65. To qualify for early retirement, employees have to be at least 55 years of age within the next school year and have a minimum of ten years employment with the District and the Kansas Public Employer's Retirement System (KPERs). Retirement pay is computed based on predetermined factors applied to the employees highest salary of their last four years of employment and is paid either on a monthly basis or as a lump sum payment at the end of the fiscal year. The computations do not include life expectancy or any other actuarial factors. An employee taking early retirement has no claim to re-employment in the District once retirement goes into effect. All early retirement benefits terminate upon the death of the participant. The early retirement obligations were liquidated from the District's Supplemental General Fund during the fiscal year ended June 30, 2020 and the cost of the termination benefits for the year ended June 30, 2020 was \$1,386,887. At June 30, 2020, there were 165 former employees receiving early retirement benefit payments. The discount rate applied in the determination of the early retirement benefit liability at June 30, 2020 was 1.708%.

The District amended the early retirement plan effective July 1, 2017 to extend the program two additional years or until an employee reaches age 67. Due to this amendment, the benefits were recalculated during the June 30, 2019 year, which added additional employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditure) until the future period. The District reports amounts related to pensions, OPEB liabilities and unamortized bond refunding costs on the government-wide statement of net position as a deferred outflow of resources. A deferred charge in refunding results from the difference in the carrying value of refunded debt versus reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 8, 9, and 10 for more information on the deferred outflows for pensions and OPEB.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The District reports amounts related to pensions, OPEB liabilities and property taxes receivable on the government-wide statement of net position and unavailable revenues on the governmental funds balance sheet as deferred inflows of resources. See Notes 8, 9, and 10 for more information on the deferred inflows for pensions and OPEB.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Net Position

In the government-wide financial statements, net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance

Governmental fund balance classifications are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be expended. In the governmental funds financial statements, fund balance is classified into potentially five components:

- *Nonspendable* - assets that are not in spendable form (such as inventory).
- *Restricted fund balances* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed fund balances* - includes amounts that can only be used for specific purposes pursuant to constraints approved by formal action of the government's highest level of decision-making authority (the Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Board of Education can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- *Assigned fund balances* - the assigned portion of fund balance is comprised of amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the governing body itself, or (b) a body (such as a budget or finance committee) or official (Superintendent) to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Board of Education has by resolution authorized the Director of Budget and Finance/Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating a fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.
- *Unassigned fund balances* - is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

2. BUDGETARY PRINCIPLES

Applicable Kansas statutes require that budgets be legally adopted for all governmental fund types on a 12-month basis, unless exempted by a specific statute. Specific funds exempted from legally adopted budgetary requirements include: Contingency Reserve, Latchkey Program, Textbook Revolving, Athletic and Activity, Cares, Americorps, Special Grants, Kansas Beef Council Grant, Title II A, Title I, English Language Learners Title III, Kansas Coordinated School Health Grant, National Math & Science Initiative, Alcohol and Drug Prevention Grant - City of Derby, Derby Education Foundation/Boeing/Derby Community Foundation Grant, Preschool Block Grant - The Opportunity Project, Military Academic/Support Program Grant, Title IV, and District Activity funds. In addition, the 2018 Bond Project fund is not subject to an annual budget.

The Capital Outlay Fund, included as a capital project fund type, is a budgeted fund and its appropriations lapse at the end of the year.

All agency funds are exempted from legally adopted budgetary requirements.

State statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

All budgets are prepared utilizing the statutory basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances (that is, commitments, such as purchase orders and contracts). Encumbrances are reported as expenditures in the current year's budgetary presentation and as committed fund balances in the governmental fund financial statements. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All unencumbered appropriations lapse at the end of the year. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education provided the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of that amount adopted by the Board of Education. The statutes allow for the Board of Education to increase the originally adopted budget for previously unbudgeted increases in revenue, other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the Board of Education may amend the budget at that time. There were no individual fund budgets amended during the year ended June 30, 2020.

The General Fund and Supplemental General Fund amended budgets represent the legal maximum budgets for each fund as determined by the Kansas Department of Education.

In preparing a 12-month budget, the remaining taxes from the levy of the preceding calendar year are recognized as assets. All revenues and expenditures are estimated on a 12-month basis. The tax levy required to finance the budget is on a calendar year basis.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Investment Type	Carrying Amount/Fair Value	Cost	Weighted Average Months to Maturity	Rating	Fair Value Hierarchy
U.S. Government Treasury Securities (U.S. Treasury Bills and Notes)	\$ 38,171,116	\$ 37,052,525	5.78	S&P AA+	Level 2
U.S. Government agency Securities	5,185,795	5,185,795	-	S&P AA+	Level 2
U.S. Government agency securities and mortgage-backed securities (overnight sweep account investments)	<u>23,478,645</u>	<u>23,478,645</u>	3.49	S&P AA+	Level 2
Total	<u>\$ 66,835,556</u>	<u>\$ 65,716,965</u>			

The U.S. Government agency securities and mortgage-backed securities related to the bond project have staggered maturities, which correspond with the estimated cash flow requirements for the bond project. These securities are reported at their fair value as determined by national security markets (Level 2). Level 2 inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. The adjustment to fair value of \$461,959 is reflected in investment earnings. The calculation of realized and unrealized gains and losses is independent of the calculation of the change in fair value of investments and there are no realized gains and losses of the current period that include unrealized amounts from prior periods. The overnight U.S. Government agency securities and mortgage-backed securities are carried at cost, which approximates their market values due to the short-termed duration of these investments.

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that may be used by governmental entities in Kansas. The statutes requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the bank provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation (FDIC) coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 ad 9-1405. The investments held by the District are related to the bond project and are authorized by the authorizing bond resolution. These investments are not subject to collateralization. The District's allocation of cash and investments as of June 30, 2020, is as follows:

Investment	Percentage of Investments
U.S. Government Treasury and Agency Securities and mortgage backed securities	100%

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy follows applicable State Statutes and requires deposits to be 100% secured by collateral (pledge securities) valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. State Statutes define the allowable pledge securities.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT.)

Custodial Credit Risk - Deposits (cont.)

At year-end, the carrying amount of the District's deposits was \$26,630,543, with the bank balances of such accounts being \$24,860,052. Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining balance of \$24,360,052 was covered by collateral held by the District's custodial banks in joint custody in the name of the District and its banks. The fair value of those pledged securities held by the District's custodial investment agencies was \$33,514,582 at June 30, 2020.

Custodial Credit Risk - Investments

For an investment, there is the risk that, in the event of failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

A reconciliation of cash, cash equivalents and investments as reported in the financial statements at June 30, 2020, is as follows:

Cash and cash equivalents:

Deposits in financial bank institutions	\$ 26,630,543
Certificates of deposits	5,185,795
U.S. Treasury and Government agency securities and mortgage backed securities	61,649,761
Total cash and cash equivalents	<u>\$ 93,466,099</u>

A reconciliation of this cash to the basic financial statements is as follows:

Cash and cash equivalents per the Statement of Net Position	\$ 90,900,918
Cash and cash equivalents per the Statement of Fiduciary Net Position	2,565,181
Total shown on basic financial statements	<u>\$ 93,466,099</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2019	Prior Period Adjustment	Additions	Deletions	Balance June 30, 2020
<u>Governmental Activities:</u>					
Non-depreciable capital assets:					
Land	\$ 2,473,007	\$ 1,517,916	\$ -	\$ -	\$ 3,990,923
Construction work in progress	11,058,161	-	46,288,748	-	57,346,909
Total non-depreciable capital assets	<u>13,531,168</u>	<u>1,517,916</u>	<u>46,288,748</u>	<u>-</u>	<u>61,337,832</u>
Depreciable capital assets:					
Buildings	119,209,939	(172,789)	6,924,273	5,000	125,956,423
Improvements other than buildings	8,009,211	(1,570,690)	451,192	-	6,889,713
Furniture and equipment	23,093,805	(5,742,450)	1,375,494	157,669	18,569,180
Total depreciable capital assets	<u>150,312,955</u>	<u>(7,485,929)</u>	<u>8,750,959</u>	<u>162,669</u>	<u>151,415,316</u>
Accumulated depreciation:					
Buildings	49,652,927	136,122	3,576,299	-	53,365,348
Improvements other than buildings	3,734,463	(52,787)	399,705	-	4,081,381
Furniture and equipment	16,947,642	(5,295,525)	1,040,339	-	12,692,456
Total accumulated depreciation	<u>70,335,032</u>	<u>(5,212,190)</u>	<u>5,016,343</u>	<u>-</u>	<u>70,139,185</u>
Total depreciable capital assets (net)	<u>79,977,923</u>	<u>(2,273,739)</u>	<u>3,734,616</u>	<u>162,669</u>	<u>81,276,131</u>
Governmental activities capital assets (net)	<u>\$ 93,509,091</u>	<u>\$ (755,823)</u>	<u>\$ 50,023,364</u>	<u>\$ 162,669</u>	<u>\$ 142,613,963</u>

4. CHANGES IN CAPITAL ASSETS (CONT.)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Instruction	\$ 4,080,395
Student support services	3,087
Instructional support services	8,882
General administration	3,676
School administration	219
Operation/maintenance of plant	2,954
Central support services	614,404
Student transportation services	225,705
Other support services	2,173
Food service operations	74,848

Total governmental activities depreciation and amortization expense	<u>\$ 5,016,343</u>
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The cost and accumulated amortization included in tables above of computer and technology equipment under capital leases at June 30, 2020 is \$922,545 and \$184,509, respectively.

5. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the District for the year ended June 30, 2020:

	Outstanding July 1, 2019	Additions	Deletions	Outstanding June 30, 2020	Due Within One Year
General obligation bonds	\$ 168,660,000	\$ -	\$ 2,875,000	\$ 165,785,000	\$ 3,590,000
Capital leases	3,938,536	-	1,017,887	2,920,649	562,663
Early Retirement	5,944,363	2,688,883	1,391,732	7,241,514	1,376,719
Compensated absences	781,009	377,826	549,851	608,984	608,984
Net premium on issuance of general obligation bonds	12,100,193	-	1,050,842	11,049,351	1,050,842
Total other postemployment benefits obligation - healthcare	2,299,354	204,684	489,713	2,014,325	-
Total other postemployment benefits obligation - KPERS	544,315	339,703	85,503	798,515	-
Net pension liability	<u>62,181,798</u>	<u>-</u>	<u>1,520,056</u>	<u>60,661,742</u>	<u>-</u>
Total long-term liabilities - Governmental activities	<u>\$ 256,449,568</u>	<u>\$ 3,611,096</u>	<u>\$ 8,980,584</u>	<u>\$ 251,080,080</u>	<u>\$ 7,189,208</u>

General obligation bonds

General obligation bonds payable are serial bonds to be retired through the fiscal year ended June 30, 2044. Debt service on the general obligation bonds is recorded in the Debt Service Fund of the District. At June 30, 2020 the bonds consist of the following.

	Interest rates	Bonds outstanding
General Obligation Refunding and School Improvement Bonds, Series 2012, issued July 1, 2012	2.00% - 5.00%	\$ 20,495,000
General Obligation Bonds, Series 2014 issued June 1, 2014	2.00% - 3.00%	2,405,000
General Obligation Refunding Bonds, Series 2016, issued March 30, 2016	2.00% - 5.00%	29,060,000
General Obligation Refunding and School Building Bonds, Series 2018-B, issued May 21, 2018	3.00% - 5.00%	107,675,000
General Obligation Refunding and School Improvement Bonds, Series 2019, issued May 1, 2019	2.25% - 3.00%	<u>6,150,000</u>
Total general obligation bonds outstanding		<u>\$ 165,785,000</u>

5. LONG-TERM DEBT (CONT.)

On July 1, 2012, the District issued \$61,750,000 of 2.0% to 5.0% General Obligation Refunding and School Improvement Bonds, Series 2012. \$1,595,000 principal amount of the Series 2012 bonds were issued to pay \$1,600,000 of principal due under the District's 2004 bonds due October 1, 2012. The remaining principal amount of \$60,155,000 was issued to provide permanent financing to (a) construct, equipment and furnish a new grade 6-8 middle school; (b) construct, equipment and furnish an addition to the existing middle school and make renovations and improvements to the existing facility; (c) construct, equip and furnish a new Central Kitchen facility; (d) replace roofing on existing District buildings; (e) construct improvements to certain District elementary schools to provide enhanced safety and security, improve support spaces, provide larger and more functional classrooms, and provide storm shelter areas; (f) construct, equip and furnish additions to the existing high school building to provide additional and improved space for music/orchestra education, improve locker room facilities, expand the existing lobby area, and expand and remodel food service areas; (g) demolish both the existing 6th Grade Center building and the existing Central Kitchen facility; and (h) make all other necessary improvements appurtenant thereto. The Series 2012 bonds maturing on October 1, 2023, and thereafter, are subject to redemption and payment prior to their stated maturity on October 1, 2022, and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date.

On June 1, 2014, the District issued \$3,300,000 of 2.0% to 3.0% General Obligation Bonds, Series 2014 to provide for the remaining costs related to the school improvements noted in the preceding paragraph. The Series 2014 bonds maturing on October 1, 2024, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2023 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date.

On March 30, 2016, the District issued \$29,430,000 of 2.0% to 5.0% General Obligation Refunding Bonds, Series 2016 to refund \$28,570,000 of Series 2012 Bonds maturing October 1, 2014 through October 1, 2031 which will be called for early redemption on October 1, 2022. The Series 2016 bonds received a rating of "Aa3" from Moody's Investors Service.

On May 21, 2018, the District issued \$107,775,000 of 3.00% to 5.00% of General Obligation Refunding and School Building Bonds, Series 2018-B to provide funding for school building improvements authorized in the public vote on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2018-B serial bonds maturing on October 1, 2027, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2026 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The term bonds with a stated maturity of October 1, 2043 in the principal amount of \$20,380,000 shall be subject to mandatory redemption and payment prior to their stated maturity date at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The mandatory redemption dates are October 1, 2042 in the principal amount of \$9,900,000 and October 1, 2043 in the principal amount of \$10,480,000. The Series 2018-B bonds received a rating of "Aa3" from Moody's Investors Service.

On May 1, 2019, the District issued \$6,150,000 of 2.25% to 3.00% of General Obligation Refunding and School Building Bonds, Series 2019 to provide funding for school building improvements in addition to the total authorized bond total approved on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2019 serial bonds maturing on October 1, 2039, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2039 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The Series 2019 bonds received a rating of "Aa3" from Moody's Investors Service.

Annual debt service requirements for the general obligation bonds are as follows:

Year ended June 30:	Principal	Interest	Total
2021	\$ 3,590,000	\$ 6,862,336	\$ 10,452,336
2022	3,900,000	6,729,411	10,629,411
2023	4,215,000	6,564,436	10,779,436
2024	4,540,000	6,377,371	10,917,371
2025	4,880,000	6,172,594	11,052,594
2025-2030	30,120,000	27,440,331	57,560,331
2031-2035	35,870,000	20,705,891	56,575,891
2036-2040	40,110,000	13,634,263	53,744,263
2041-2044	38,560,000	3,993,500	42,553,500
Total	<u>\$ 165,785,000</u>	<u>\$ 98,480,133</u>	<u>\$ 264,265,133</u>

5. LONG-TERM DEBT (CONT.)

General obligation bonds (cont.)

The District's limitation on bond issues is established by Kansas Statute 72-6761 which states that the aggregate amount of bonds which the District can issue without authority from the State Board of Education is 14% of the assessed valuation. The State Board of Education authorized the District to exceed its statutory limit in November 2017 for the 2018 General Obligation Bond Issue.

14% of assessed valuation	\$ 70,441,552
General obligation debt applicable to limitation	(165,785,000)
Less debt service fund	<u>7,843,981</u>
Debt in excess of limitation	<u>\$ (87,499,467)</u>

Capitalized lease obligations

The District has entered into various lease agreements for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of their future minimum lease payments as of the inception date. The equipment purchased under capital leases totals \$6,055,817 and are included in the capital assets of the District according to the District's capital asset policy. The amortization of this equipment has been included in the District's depreciation expense. Obligations of the District's governmental activities under capital leases at June 30, 2020, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 562,662	\$ 85,053	\$ 647,715
2022	484,247	65,703	549,950
2023	434,409	48,228	482,637
2024	300,009	34,271	334,280
2025	308,148	26,131	334,279
2026-2028	831,174	40,204	871,378
	<u>\$ 2,920,649</u>	<u>\$ 299,590</u>	<u>\$ 3,220,239</u>

Compensated absences

Compensated absences are to be paid from various funds in the same proportion that those funds pay payroll costs. The District's projected liability for compensated absences at June 30, 2020 is \$608,984, which will primarily be liquidated from the General Fund.

6. INTERFUND RECEIVABLES/PAYABLES

Individual fund receivable/payable balances at June 30, 2020 are as follows:

	<u>Due To (Receivable)</u>	<u>Due From (Payable)</u>
Major Funds		
General	\$ 222,384	\$ -
Non-major funds		
Americorp Grant	-	45,302
Preschool Block Grant - The Opportunity Project	-	16,768
Military Academic/Support Program Grant	-	160,314
Total all funds	<u>\$ 222,384</u>	<u>\$ 222,384</u>

The interfund receivable/payable balances are the result of commitments in the various funds prior to year-end that are to be funded by federal and state aid that was due to be paid to the District during the month of June 2020. However, the District did not receive the aid payments until July 2020.

7. INTERFUND TRANSFERS

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the majority of transfers made under the statutory basis of accounting are now classified as state aid. GASB Statement No. 54 provides that "specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund. Those amounts should not be recognized as revenue in the fund initially receiving them; however, those inflows should be recognized as revenue in the special revenue fund in which they will be expended in accordance with specified purposes." State aid is initially received in the General and Supplemental General Funds and various state statutes require the District to make transfers of this state aid to other special revenue funds.

A summary of interfund transfers by individual fund reported as state aid in the governmental funds financial statements but as transfers in the respective budgetary financial statements and schedules are as follows:

	Statutory authority	Transfers In	Transfers Out
Major Funds:			
General	72-6428	\$ -	\$ 14,869,491
Supplemental General	72-6433	-	2,759,818
Special Education	72-6428	10,105,866	-
Nonmajor Funds:			
Professional Development	72-6428	100,000	-
Parent Education Program	72-6428	142,984	-
Virtual Education	72-6428	112,000	-
Food Service	72-6428	932	-
Bilingual Education	72-6428	1,087,846	-
Four Year Old At Risk	72-6428	130,862	-
At Risk (K-12)	72-6428	4,573,819	-
Vocational	72-6428	1,125,000	-
Textbook Revolving	72-6428	250,000	-
		<u>\$ 17,629,309</u>	<u>\$ 17,629,309</u>

8. PENSION PLAN

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law and administered by KPERS, a body corporate and an instrumentality of the State of Kansas. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available, stand-alone comprehensive annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737, or at the KPERS website at www.kpers.org.

KPERS provides benefit to the following statewide pension groups under one plan, as provided by K.S.A 74 article 49:

- Public employees, which include:
 - State/School
 - Local
- Police and Fireman
- Judges

Substantially all public employees in Kansas are covered by the pension plan. The Statute of Kansas and Kansas schools are required to participate, while participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the pension plan for the District are included in the State/School group.

8. PENSION PLAN (CONT.)

Benefits Provided

Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points."

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc postretirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the internal revenue code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2019.

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 14.59% and 13.21%, respectively. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

8. PENSION PLAN (CONT.)

Employer Allocations (cont.)

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2019, are based on the ratio of the employer's contributions to total employer and nonemployer contributions of the group for the fiscal years ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, from the valuation report dated June 30, 2019, the District reported a liability of \$60,661,742 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, which was rolled forward to June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. As of the June 30, 2019 valuation report, the District's proportion was 0.93792% percent, which was a decrease of 0.0153% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$7,392,303, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 6,458,767	\$ -
Differences between expected and actual experience	527,047	1,568,970
Net difference between projected and actual earnings on pension plan investments	1,008,240	-
Changes in assumptions	1,629,130	22,307
Changes in proportion	5,383,762	2,624,574
Total	<u>\$ 15,006,946</u>	<u>\$ 4,215,851</u>

The deferred outflows of resources related to pensions totaling \$6,458,767, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2020	\$ 2,444,636
2021	1,072,575
2022	470,219
2023	351,386
2024	(6,488)
Thereafter	-
	<u>\$ 4,332,328</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The District contributes 100% of the contributions to the pension plan, therefore, there is no revenue recognized for the support provided by nonemployer contributing entities.

8. PENSION PLAN (CONT.)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

• Price Inflation	2.75 percent
• Wage Inflation	3.50 percent
• Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
• Long-term rate of return, compounded annually, net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 percent to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

There were no changes between the measurement date of December 31, 2018, rolled forward to June 30, 2019, and the District's reporting date of June 30, 2020.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPER's investment consultant, are summarized in the following table.

Asset class	Long-term target allocation	Long-term expected real rate of return
Global Equity	47.00%	6.85%
Fixed Income	13.00%	1.25%
Yield Driven	8.00%	6.55%
Real Return	11.00%	1.71%
Real Estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term Investments	2.00%	-0.25%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

8. PENSION PLAN (CONT.)

Discount Rate (cont.)

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2019 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the schedules contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for the Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 S Sub for Sub HB 2052 delayed \$64.1 million in Fiscal Year State/School contribution, to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20 year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of \$56 million and \$82 million be made to the System. The \$56 million payment was received by the System on June 30, 2018, and recorded as Fiscal Year 2018 contributions. The \$82 million was received July 1, 2019, and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of \$115 million to KPERS, received in March 2019.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Discount rate (7.75%)	1% Increase (8.75%)
\$83,030,811	\$60,661,742	\$41,890,171

9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

Plan Description

The Plan provides healthcare benefits, including medical and dental, to retirees and their dependents. Retiree health coverage is provided for under K.S.A. 12-5040. Employees who retire with at least 10 years of cumulative service with the District and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. District retirees pay the same premiums charged to current employees for medical and dental coverage. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Government Accounting Standards Board Statement No. 75. Active and retirees pay 100% of the premium rates for dental insurance coverage so no employer implicit subsidy exists for the dental insurance coverage.

Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age, which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

Plan Description (cont.)

As of January 1, 2020, plan membership consisted of the following:

Covered Employees	-
Retirees and beneficiaries receiving benefits	33
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>555</u>
Total	<u>588</u>

Funding Policy

The contribution requirement of plan members and the District are established and can be amended by the Board of Education. Contributions are made to the plan on a pay-as-you-go basis. District retirees pay 100% of their healthcare premiums; the District is not required to share costs of retiree premiums.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) consists of the service cost plus interest on total OPEB liability and changes in assumptions and inputs. The service cost is the portion of the Actuarial Present Value of OPEB benefits that is allocated to the current year by the Actuarial Cost method. The following table presents the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's total OPEB obligation to the Plan.

	June 30, 2020
Total OPEB liability - beginning of year	<u>\$ 2,299,354</u>
Service cost	133,644
Interest cost	71,040
Changes in benefit terms	-
Differences between actual and expected experience	(174,622)
Changes in assumptions and inputs	(185,091)
Employer contributions (benefit payments)	<u>(130,000)</u>
Net changes	<u>(285,029)</u>
Total OPEB liability - end of year	<u>\$ 2,014,325</u>

The District saw no benefit changes to the disability's percentage of replacement income due to the changes from FY19 to FY20.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.0 percent in 2019 to 2.6 percent in 2020.

Changes from the beginning to the end of year measurement for FY 2019-20 are noted below:

- The assumed mortality was changed to the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement.
- The assumed salary scale was changed from 2.5% to 3.0%.
- The assumed proportion of retiring employees electing Medical coverage with the District was lowered from 50% to 45%.
- The retiree per capita costs, retiree contribution premiums and other assumptions were updated as part of the actuarial evaluation.

9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

Total OPEB Liability

The District's total OPEB liability of \$2,014,325 reported as of June 30, 2020, and was determined by an actuarial valuation as of February 1, 2019, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.00%
Discount rate	2.60%
Healthcare cost trend rates	7.50 percent for 2020, decreasing .25 percent per year to an ultimate rate of 4.50 percent for 2028 and later years
Retirees share of benefit-related costs	6.0 percent of projected health insurance

Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	<u>1% Decrease</u>	<u>Current Trend Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,803,597	\$ 2,014,325	\$ 2,264,686

Sensitivity of Total OPEB Liability of changes in the Discount Rate

The following present the total OPEB liability of the District as of June 30, 2020 as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.6%) or 1 percentage point higher (3.6%) than the current rate (2.6%).

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,171,085	\$ 2,014,325	\$ 1,868,015

OPEB Expense

For the year ended June 30, 2020, the District recognized OPEB expense of \$170,866, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2020, and deferred inflows and outflows of resources are as follows:

<u>Category</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ -	\$ 285,848
Changes in assumptions	55,810	170,853
Benefit payments subsequent to the measurement date	-	-
Total	<u>\$ 55,810</u>	<u>\$ 456,701</u>

9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

Deferred Outflows of Resources and Deferred Inflows of Resources (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an expense/(income) item in future years' OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (33,818)
2022	(33,818)
2023	(33,818)
2024	(33,818)
2025	(33,818)
Thereafter	(231,801)
	<u>\$ (400,891)</u>

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY

Plan Description

The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability to retirement benefits, workers, compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than giving the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

The District has the following employees covered by the Plan as of June 30, 2020:

Retirees and beneficiaries receiving benefits	6
Active plan members	<u>1,047</u>
Total	<u><u>1,053</u></u>

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY (CONT.)

Total OPEB Liability

The District's total OPEB liability of \$798,515 reported as of June 30, 2020, using the report dated June 30, 2019, was measured as of June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018, using the participant census as of December 31, 2018.

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Inflation	2.75%
Salary increases	3.00%
Discount rate	3.87%

Changes in the total OPEB liability

Total OPEB liability - beginning of year	\$ 544,315
Service cost	82,347
Interest cost	22,613
Changes in benefit terms	-
Differences between actual and expected experience	-
Changes in economic/demographic gains or losses	221,991
Changes in assumptions and inputs	12,752
Employer contributions (benefit payments)	(85,503)
Net changes	254,200
Net OPEB liability - end of year	\$ 798,515

Changes in assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% (GASB 45) to 3.50% (beginning-of-year) in accordance with GASB 75.

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2018.

The actuarial assumptions used in the June 30, 2019, valuation were based on an actuarial experience study for the period July 1, 2014 - June 30, 2016.

Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Rate.

The following presents the total OPEB liability of the District as of June 30, 2019, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	\$ 798,515	\$ 798,515	\$ 798,515

Sensitivity of Total OPEB Liability to changes in the Discount Rate

The following present the total OPEB liability of the District as of June 30, 2019, calculated using the discount rate of 3.50%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	1% Decrease 2.50%	Current Single Discount Rate Assumption 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 831,272	\$ 798,515	\$ 763,643

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY (CONT.)

OPEB Expense

For the year ended June 30, 2019, the District recognized OPEB expense of \$254,200, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2019 and deferred inflows and outflows of resources are as follows:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 125,585	\$ 199,176
Changes in assumptions	17,052	11,441
Benefit payments subsequent to the measurement date	-	448,219
Total	<u>\$ 142,637</u>	<u>\$ 658,836</u>

The deferred outflows related to OPEB totaling \$448,219, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an expense/(income) item in OPEB expense as follows:

Year ended June 30:	Amount
2020	\$ 5,346
2021	5,346
2022	5,346
2023	5,346
2024	5,346
Thereafter	41,250
	<u>\$ 67,980</u>

11. OPERATING LEASES

The District leases certain duplicating and printing equipment under noncancelable operating leases. The total cost of the five years the District is in contract with Great America Financial Services is \$303,957. The lease agreements are classified as an operating lease for accounting purposes. Lease payments for the year ending June 30, 2020 were \$75,989.

Future minimum lease payments under these noncancelable operating leases are as follows:

Year ending June 30,	Duplicating and Printing Equipment
2021	<u>\$ 69,657</u>

12. FUND BALANCE CLASSIFICATIONS

Fund balance classifications reported on the governmental funds balance sheet at June 30, 2020 were as follows:

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
Fund Balances:							
Restricted for:							
Debt Service	\$ -	\$ -	\$ 7,843,981	\$ -	\$ -	\$ -	\$ 7,843,981
2018 Bond Project	-	-	-	-	61,305,216	-	61,305,216
Vocational Education	-	-	-	-	-	214,095	214,095
Driver Training	-	-	-	-	-	64,268	64,268
Special Assessment	-	-	-	-	-	976,966	976,966
Four Year Old At Risk	-	-	-	-	-	35,794	35,794
CARES	-	-	-	-	-	3,374	3,374
Textbook Revolving	-	-	-	-	-	1,863,831	1,863,831
Special Grants	-	-	-	-	-	14,248	14,248
Kansas Beef Council Grant	-	-	-	-	-	23,999	23,999
Title I	-	-	-	-	-	48,140	48,140
Kansas Coordinated School Health Grant	-	-	-	-	-	798	798
Alcohol and Drug Prevention Grant	-	-	-	-	-	2,567	2,567
Derby Education Foundation/Boeing	-	-	-	-	-	9,894	9,894
Virtual Education	-	-	-	-	-	49,222	49,222
Title IV	-	-	-	-	-	1,400	1,400
Committed:							
Supplemental General	682,588	-	-	-	-	-	682,588
Professional Development	35,945	-	-	-	-	-	35,945
Summer School	8,171	-	-	-	-	-	8,171
Contingency	3,393,881	-	-	-	-	-	3,393,881
Special Education	-	1,228,816	-	-	-	-	1,228,816
Capital Outlay	-	-	-	4,959,961	-	-	4,959,961
Food Service	-	-	-	-	-	228,186	228,186
Parent Education Program	-	-	-	-	-	2,509	2,509
Athletic and Activity	-	-	-	-	-	2,099	2,099
District Activity	-	-	-	-	-	65,218	65,218
Assigned:							
General	59,317	-	-	-	-	-	59,317
Capital Outlay	-	-	-	554,072	-	-	554,072
Special Education	-	80	-	-	-	-	80
2018 Bond Project	-	-	-	-	4,863,214	-	4,863,214
Latchkey Program	4,027	-	-	-	-	-	4,027
Unassigned:							
Latchkey Program	21,922	-	-	-	-	-	21,922
Total Fund Balances	\$ 4,205,851	\$ 1,228,896	\$ 7,843,981	\$ 5,514,033	\$ 66,168,430	\$ 3,606,608	\$ 88,567,799

Stabilization Agreements

Under Kansas statutes, the district is permitted to maintain a Contingency Fund. Under current statutes the ending unencumbered cash balance does not have a maximum limitation. This fund can only be spent if the District's Board passes a resolution. The ending balance for June 30, 2020, in the Contingency Fund was \$3,393,881.

13. CAPITAL PROJECT AUTHORIZATIONS

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital project funds project length budgets are prepared which are based on the project authorizations by the Board of Education. At June 30, 2020, individual project authorizations compared with project expenditures from inception are as follows:

	Project authorizations	Expenditures from project inception to June 30, 2020
2018 Bond Project	\$ 107,775,000	63,555,124.00
2019 Bond Project	6,150,000	-

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

15. TAX ABATEMENTS

Derby USD No. 260 participates in tax abatement agreements entered into by the City of Derby, Kansas and Sedgwick County, Kansas. Those tax abatement programs include Economic Development Exemptions which Article 11, Section 13 of the Kansas Constitution gives counties and cities the authority to exempt from ad valorem taxation all or any portion of the valuation of buildings, land or other improvements used to facilitate business expansion and new employment creation. Kansas Statutes Annotated 79-213 et. seq. establishes procedures by which the taxable value of personal property being financed by industrial revenue bonds may be wholly or partially exempt.

The tax abatements granted by the City of Derby, Kansas and Sedgwick County, Kansas applicable to tax levied by the District were approximately \$1,144,665 for the year ended June 30, 2020.

16. ADVANCE REFUNDING

On March 30, 2016, the District entered into an advance refunding transaction whereby it issued \$29,430,000 of General Obligation Refunding Bonds, Series 2016, with interest rates from 2.00% to 5.00%, to advance refund \$28,570,000 of outstanding General Obligation Refunding and School Improvement Bonds, Series 2012 with an interest rate of 5.00%. Proceeds from the Series 2016 Bonds in the amount of \$34,849,862 were placed with the District's escrow agent, to provide for the principal amount and interest to the call date, October 1, 2022, to advance refund the General Obligation Refunding and School Improvement Bonds, Series 2012 maturing on October 1, 2024 to October 1, 2031. Included in the deposit with the escrow agent was \$87,000 of Series 2016 bond proceeds to pay for all costs of issuance related to the Series 2016 bonds.

The District entered into the refunding transaction for the General Obligation Refunding Bonds Series 2016 to reduce its total debt service payments over the next 17 years by \$1,343,534 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,075,160.

On May 21, 2018, the District entered into an advance refunding transaction whereby it issued \$107,775,000 of General Obligation Refunding and School Building Bonds, Series 2018-B with interest rates from 3.00% to 5.00%, to advance refund \$2,000,000 of outstanding General Obligation Bonds, Series 2018-A with an interest rate of 3.25% maturing on September 1, 2019. Proceeds from the Series 2018-B bonds in the amount of \$2,017,153 were placed with the District's escrow agent to provide for the principal amount and interest to the call date of August 1, 2018 for the Series 2018-A bonds.

The District entered into the refunding transaction for the General Obligation Bonds, Series 2018-A which increased its total debt service payments over the next 5 years by \$98,932 however, the District obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$43,415.

17. COMMITMENTS AND CONTINGENCIES

Commitments

At June 30, 2020, the District had outstanding commitments related to building and facility improvements, architectural engineering fees and equipment acquisitions in the amount of \$4,863,214 from the 2018 Bond Project Fund and \$688,117 from the Capital Outlay Fund.

17. COMMITMENTS AND CONTINGENCIES (CONT.)

Grant Programs

The District participates in a number of federal and state assisted grant programs that are subject to financial and compliance audits by the grantor agencies or their designee. Accordingly, the District's compliance with applicable grant requirements and any disallowed costs resulting from such audits, if any, could become a liability of the District. It is management's opinion that any such disallowed costs will not have a material affect on the financial statements of the District at June 30, 2020.

Arbitrage

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on the bonds have not been determined. The District does not expect that bond proceeds will be used in a manner that would cause any bond to be an "arbitrage bond" within the meaning of Code Section 148 and the regulations.

Continuing Disclosure Requirements

The Securities and Exchange Commission of the United States has adopted Rule 15c2-12 (the Rule) in order to regulate and improve the market for securities (generally Bonds) issued by state and local governmental bodies (Governmental Issuers). The Rule directly regulates only bond underwriters (the parties that purchase bonds with a view of reselling them), but indirectly requires persons committed to support payment of Bonds (Obligated Persons) to make continuing disclosure. The Rule requires that an underwriter, prior to purchasing or selling Bonds in connection with a covered Bond offering, determine that the Governmental Issuer, has undertaken in writing to provide every nationally recognized municipal securities information repository and to the appropriate State information depository, if any, the following:

- By a specified date; annual financial and operating information for the Governmental Issuer for whom financial information or operating data is presented in the official statement (an Annual Information Filing);
- When and if available, audited financial statements for Obligated Persons (Audits); In a timely manner, notice of the occurrence of one of eleven material events (a Material Event Filing); and
- In a timely manner, notice of a failure of any person required to provide the Annual Information Filing referred to above, on or before the date specified in the continuing disclosure agreement (Notice of Failure).

The specific continuing disclosure obligation required is set forth in the District's "Omnibus Continuing Disclosure Undertaking" as adopted by the District in 2014 and included with its bond issuance documents. Those documents require the District to provide the Annual Information Filing within 180 days after the end of the District's fiscal year.

During the past five years, the District may not have made timely filings of certain event notices. The District believes this information was disseminated or available through other sources.

In recent months, the coronavirus (COVID-19) outbreak in the United States has resulted in the temporary closure of schools and operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the District as of the date of this report, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

18. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2020, the following affected the beginning net position of the District:

Changes were made to capital asset balances to reflect clean up of database	\$ (755,823)
Total effect to net position	<u>\$ (755,823)</u>

19. SUBSEQUENT EVENTS

The District was awarded \$660,593 in April 2020 under the CARES Act. The District received \$100,913 and spent \$43,480 as of June 30, 2020. The funding is in the form of a grant with a 5 year potential expenditure period. The District received and spent SPARK monies from Sedgwick County in the amount of \$412,320. The District also received a Kansas Broadband grant in the amount of \$1.278 million in response to the outbreak.

In August of 2020, the District issued general obligation refunding bonds in the amount of \$13,535,000. The issue is to refund the general obligation bond series 2012. Terms are repayment thru October 2032 with interest rate of 1.63%.

In November of 2020, the District issued general obligation refunding bonds in the amount of \$49,555,000. The issue is to refund the general obligation bond series 2018-B. Terms are repayment thru October 2043 and interest rates varying from .391% to 3.0%.

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Changes in the Net OPEB Liability - Healthcare
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB Liability - Beginning of year	<u>\$2,299,354</u>	<u>\$2,331,270</u>	<u>\$2,242,415</u>	For 2011 to 2017, this data is not yet available.						
Service Cost	133,644	130,955	121,922	For 2011 to 2017, this data is not yet available.						
Interest Cost	71,040	78,844	77,922	For 2011 to 2017, this data is not yet available.						
Changes in Benefit Terms	-	-	18,226	For 2011 to 2017, this data is not yet available.						
Differences between actual and expected experience	(174,622)	(147,322)	-	For 2011 to 2017, this data is not yet available.						
Changes in assumptions and inputs	(185,091)	51,607	15,785	For 2011 to 2017, this data is not yet available.						
Employer contributions	<u>(130,000)</u>	<u>(146,000)</u>	<u>(145,000)</u>	For 2011 to 2017, this data is not yet available.						
Net Changes	<u>(285,029)</u>	<u>(31,916)</u>	<u>88,855</u>	For 2011 to 2017, this data is not yet available.						
Total OPEB Liability - End of year	<u>\$2,014,325</u>	<u>\$2,299,354</u>	<u>\$2,331,270</u>	For 2011 to 2017, this data is not yet available.						

* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2011-2017 is not available under the measurement requirements of GASB 75.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll - Healthcare
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB Liability	\$ 2,014,325	\$ 2,299,354	\$ 2,331,270	For 2011 to 2017, this data is not yet available.						
Fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	For 2011 to 2017, this data is not yet available.						
Net OPEB liability	<u>\$ 2,014,325</u>	<u>\$ 2,299,354</u>	<u>\$ 2,331,270</u>	For 2011 to 2017, this data is not yet available.						
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	For 2011 to 2017, this data is not yet available.						
Covered payroll	\$26,466,107	\$22,609,222	\$22,609,222	For 2011 to 2017, this data is not yet available.						
Total OPEB liability as a percentage of covered payroll	7.61%	10.17%	10.31%	For 2011 to 2017, this data is not yet available.						

* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2011-2017 is not available under the measurement requirements of GASB 75.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Changes in the Net OPEB Liability - KPERS Death and Disability
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years*									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB Liability - Beginning of year	<u>\$ 544,315</u>	<u>\$ 629,162</u>	<u>\$ 808,100</u>	For 2011 to 2017, this data is not yet available.						
Service Cost	82,347	81,892	85,800	For 2011 to 2017, this data is not yet available.						
Interest Cost	22,613	24,980	21,700	For 2011 to 2017, this data is not yet available.						
Changes in Benefit Terms	-	-	-	For 2011 to 2017, this data is not yet available.						
Differences between actual and expected experience	221,991	(158,247)	-	For 2011 to 2017, this data is not yet available.						
Changes in assumptions and inputs	12,752	(6,623)	(17,100)	For 2011 to 2017, this data is not yet available.						
Employer contributions	<u>(85,503)</u>	<u>(26,849)</u>	<u>(269,300)</u>	For 2011 to 2017, this data is not yet available.						
Net Changes	<u>254,200</u>	<u>(84,847)</u>	<u>(178,900)</u>	For 2011 to 2017, this data is not yet available.						
Total OPEB Liability - End of year	<u>\$ 798,515</u>	<u>\$ 544,315</u>	<u>\$ 629,200</u>	For 2011 to 2017, this data is not yet available.						

* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2011-2017 is not available under the measurement requirements of GASB 75.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll - KPERS Death and Disability
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years*									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB Liability	\$ 798,515	\$ 544,315	\$ 629,200	For 2011 to 2017, this data is not yet available.						
Fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	For 2011 to 2017, this data is not yet available.						
Net OPEB liability	<u>\$ 798,515</u>	<u>\$ 544,315</u>	<u>\$ 629,200</u>	For 2011 to 2017, this data is not yet available.						
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	For 2011 to 2017, this data is not yet available.						
Covered payroll	\$ 41,724,163	\$ 39,930,000	\$ 38,286,000	For 2011 to 2017, this data is not yet available.						
Total OPEB liability as a percentage of covered payroll	1.91%	1.36%	1.64%	For 2011 to 2017, this data is not yet available.						

* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2011-2017 is not available under the measurement requirements of GASB 75.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2020**

**Kansas Public Employees Retirement System
Last 10 Fiscal Years***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate percentage of the net pension liability	0.93792%	0.95320%	0.92877%	0.94955%	0.73513%	0.72499%	0.88922%	For 2011 to 2013, this data is not yet available.		
District's proportionate share of the net pension liability	\$ 60,661,742	\$ 62,181,798	\$ 62,403,962	\$ 63,819,632	\$ 50,903,781	\$ 46,326,026	\$ 64,591,784	For 2011 to 2013, this data is not yet available.		
District's covered payroll	\$ 47,939,804	\$ 42,286,638	\$ 43,066,520	\$ 40,675,151	\$ 37,540,999	\$ 39,562,898	\$ 36,010,040	For 2011 to 2013, this data is not yet available.		
District's proportionate share of the net pension liability as a percentage of its covered payroll	126.54%	147.05%	144.90%	156.90%	135.60%	117.09%	179.37%			
Plan fiduciary net position as a percentage of the total pension liability	68.05%	66.75%	64.90%	63.27%	61.32%	63.30%	57.13%			

* Data became available with the inception of GASB Statement No. 68 during fiscal year 2014, therefore 10 years of data is unavailable.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of District's Contributions
For the Year Ended June 30, 2020**

**Kansas Public Employees Retirement System
Last 10 Fiscal Years***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 6,038,281	\$ 5,458,916	\$ 5,321,619	\$ 3,558,899	\$ 3,720,313	\$ 3,912,771	\$ 3,966,428	For 2011 to 2013, this data is not yet available.		
Contributions in relation to the contractually required contribution	(6,038,281)	(5,458,916)	(5,321,619)	(3,558,899)	(3,720,313)	(3,912,771)	(3,966,428)	For 2011 to 2013, this data is not yet available.		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	For 2011 to 2013, this data is not yet available.		
District's covered employee payroll	\$ 52,473,464	\$ 47,939,804	\$ 44,309,901	\$ 39,987,866	\$ 37,540,999	\$ 39,562,898	\$ 39,193,953	For 2011 to 2013, this data is not yet available.		
Contributions as a percentage of covered payroll	11.51%	11.39%	12.01%	8.90%	9.91%	9.89%	10.12%	For 2011 to 2013, this data is not yet available.		

* Data became available with the inception of GASB Statement No. 68 during fiscal year 2014, therefore 10 years of data is unavailable. Data is measured as of the most recent fiscal year end.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

Other Post Employment Benefits - Healthcare

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes of assumptions and other inputs reflect a change in the discount rate from 3.0% in 2019 to 2.6% in 2020.

Changes from the beginning to the end of year measurement for FY 2019-20 are noted below:

- The assumed mortality was changed to the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement.
- The assumed salary scale was changed from 2.5% to 3.0%.
- The assumed proportion of retiring employees electing Medical coverage with the District was lowered from 50% to 45%.
- The retiree per capita costs, retiree contribution premiums and related assumptions were updated as part of the actuarial evaluation.

Other Post Employment Benefits - KPERS Death and Disabilities

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2019, are noted below:

- Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.50% in 2019.
- Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2018.

Defined Benefit Pension Plan

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2019, are noted below:

- Price inflation lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 percent to 3.5
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

**COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES**

GOVERNMENTAL FUNDS

General Fund

The General Fund is used to account for all financial transactions not properly accounted for in another fund. It receives a greater variety and number of taxes and other general revenues than any other fund and these resources also finance a wider range of activities than any other fund. Under the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds established by statute are required to be included within the General Fund for financial reporting in accordance with generally accepted accounting principles (GAAP). Those combined funds for GAAP basis reporting are as follows:

General Fund - the fund of the District from which operating expenditures are paid and in which taxes levied, all general state aid, payments of federal funds made available under the provisions of Title I of Public Law 874 and such other moneys as provided by law are deposited.

Supplemental General Fund - used to account for revenue received and expenditures incurred related to the District's Local Option Budget (LOB). Moneys available under the LOB may be used for any purpose for which expenditures from the General Fund are authorized or may be transferred to the General Fund or any program weighted fund or categorical fund (as defined by Kansas statute) of the District.

Professional Development Fund - used to account for revenue received and expenditures incurred for teacher inservice training programs.

Summer School Fund - used to account for summer school fees collected and expenditures for summer school.

Contingency Reserve Fund - used to account for moneys transferred from the General Fund in accordance with Kansas statutes. The balance of this fund has no maximum balance limitations under current state law.

Latchkey Program Fund - used to account for moneys received for childcare provided by the District and moneys expended for such childcare.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Balance Sheet
General Fund
June 30, 2020**

	General Fund						
	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	Total General Fund
Assets:							
Cash, cash equivalents and investments	\$ 16,345	\$ 374,999	\$ 35,945	\$ 8,171	\$ 3,393,881	\$ 32,320	\$ 3,861,661
Property tax receivable	-	167,092	-	-	-	-	167,092
State aid receivable	1,858,069	476,920	-	-	-	-	2,334,989
Due from other funds	222,384	-	-	-	-	-	222,384
Total assets	<u>\$ 2,096,798</u>	<u>\$ 1,019,011</u>	<u>\$ 35,945</u>	<u>\$ 8,171</u>	<u>\$ 3,393,881</u>	<u>\$ 32,320</u>	<u>\$ 6,586,126</u>
Liabilities:							
Accounts payable	\$ 149,631	\$ 167,743	\$ -	\$ -	\$ -	\$ 6,371	\$ 323,745
Accrued payroll	1,887,850	1,588	-	-	-	-	1,889,438
Total liabilities	<u>2,037,481</u>	<u>169,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,371</u>	<u>2,213,183</u>
Deferred Inflows of Resources:							
Property taxes receivable	-	167,092	-	-	-	-	167,092
Fund Balances:							
Committed	-	682,588	35,945	8,171	3,393,881	-	4,120,585
Assigned	59,317	-	-	-	-	4,027	63,344
Unassigned	-	-	-	-	-	21,922	21,922
Total fund balances	<u>59,317</u>	<u>682,588</u>	<u>35,945</u>	<u>8,171</u>	<u>3,393,881</u>	<u>25,949</u>	<u>4,205,851</u>
Total liabilities and fund balances	<u>\$ 2,096,798</u>	<u>\$ 1,019,011</u>	<u>\$ 35,945</u>	<u>\$ 8,171</u>	<u>\$ 3,393,881</u>	<u>\$ 32,320</u>	<u>\$ 6,586,126</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2020**

	General Fund						Total
	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	General Fund
Revenues:							
Taxes	\$ -	\$ 6,675,635	\$ -	\$ -	\$ -	\$ -	\$ 6,675,635
State aid	30,250,928	4,351,210	115,267	-	-	-	34,717,405
Federal aid	122,669	-	-	-	-	-	122,669
Charges for services	-	-	-	-	-	450,515	450,515
Other	734,880	1,259	-	7,341	-	-	743,480
Total revenue	<u>31,108,477</u>	<u>11,028,104</u>	<u>115,267</u>	<u>7,341</u>	<u>-</u>	<u>450,515</u>	<u>42,709,704</u>
Expenditures:							
Instruction	21,905,876	3,013,133	-	13,589	-	-	24,932,598
Student support services	1,667,889	296,675	-	-	-	420,801	2,385,365
Instructional support services	472,715	1,100,906	72,521	-	-	-	1,646,142
General administration	842	1,017,774	883	-	-	-	1,019,499
School administration	3,148,741	186,961	-	-	-	-	3,335,702
Central services	622,831	790,034	-	-	-	-	1,412,865
Operations and maintenance	809,624	5,212,491	-	457	-	2,449	6,025,021
Student transportation services	1,087,353	41,793	-	-	-	37,242	1,166,388
Other support services	308,287	93,139	25,000	-	-	-	426,426
Community service operations	145,024	-	-	-	-	-	145,024
Total expenditures	<u>30,169,182</u>	<u>11,752,906</u>	<u>98,404</u>	<u>14,046</u>	<u>-</u>	<u>460,492</u>	<u>42,495,030</u>
Excess of revenues over (under) expenditures	<u>939,295</u>	<u>(724,802)</u>	<u>16,863</u>	<u>(6,705)</u>	<u>-</u>	<u>(9,977)</u>	<u>214,674</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	1,000,000	-	1,000,000
Transfers out	(1,000,000)	-	-	-	-	-	(1,000,000)
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(60,705)	(724,802)	16,863	(6,705)	1,000,000	(9,977)	214,674
Fund balances at beginning of year	<u>120,022</u>	<u>1,407,390</u>	<u>19,082</u>	<u>14,876</u>	<u>2,393,881</u>	<u>35,926</u>	<u>3,991,177</u>
Fund balances at end of year	<u>\$ 59,317</u>	<u>\$ 682,588</u>	<u>\$ 35,945</u>	<u>\$ 8,171</u>	<u>\$ 3,393,881</u>	<u>\$ 25,949</u>	<u>\$ 4,205,851</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Supplemental General Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 6,830,687	\$ 6,200,040	\$ 6,675,635	\$ 475,595
State aid	7,433,919	7,433,919	7,111,028	(322,891)
Reimbursement	-	-	1,259	1,259
Total revenue	<u>14,264,606</u>	<u>13,633,959</u>	<u>13,787,922</u>	<u>153,963</u>
Expenditures and encumbrances:				
Instruction	2,795,371	2,795,371	2,836,042	40,671
Student support services	1,698,206	1,698,206	298,475	(1,399,731)
Instructional support services	1,507,749	1,507,749	1,005,639	(502,110)
General administration	1,026,372	1,026,372	1,024,293	(2,079)
School administration	148,750	148,750	186,961	38,211
Central services	166,628	166,628	484,184	317,556
Operations and maintenance	5,149,691	5,149,691	5,160,220	10,529
Student transportation services	35,000	35,000	39,955	4,955
Other support services	6,075	6,075	93,140	87,065
Transfers out to other funds	1,985,532	1,985,532	2,759,818	774,286
Total expenditures and encumbrances	<u>14,519,374</u>	<u>14,519,374</u>	<u>13,888,727</u>	<u>(630,647)</u>
Adjustment to legal maximum budget	<u>-</u>	<u>(630,647)</u>	<u>-</u>	<u>630,647</u>
Total expenditures and transfers subject to budget	<u>14,519,374</u>	<u>13,888,727</u>	<u>13,888,727</u>	<u>-</u>
Revenue over (under) expenditures and encumbrances	(254,768)	(254,768)	(100,805)	153,963
Unencumbered cash, beginning of year	<u>709,986</u>	<u>709,986</u>	<u>709,986</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 455,218</u>	<u>\$ 455,218</u>	<u>\$ 609,181</u>	<u>\$ 153,963</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 609,181	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>73,407</u>	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 682,588</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Professional Development Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 16,875	\$ 16,875	\$ 15,267	\$ (1,608)
Transfer from other funds	150,000	150,000	100,000	(50,000)
Total revenue	166,875	166,875	115,267	(51,608)
Expenditures and encumbrances:				
Instructional support services	184,700	184,700	71,265	(113,435)
General administration	-	-	883	883
Other support services	-	-	25,000	25,000
Total expenditures and encumbrances	184,700	184,700	97,148	(87,552)
Revenue over (under) expenditures and encumbrances	(17,825)	(17,825)	18,119	35,944
Unencumbered cash, beginning of year	17,826	17,826	17,826	-
Unencumbered cash, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 35,945</u>	<u>\$ 35,944</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 35,945	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 35,945</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Summer School Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Reimbursement	\$ 17,500	\$ 17,500	\$ 7,341	\$ (10,159)
Expenditures and encumbrances:				
Instruction	15,830	15,830	13,589	(2,241)
Instructional support services	8,500	8,500	-	(8,500)
Operations and maintenance	<u>4,032</u>	<u>4,032</u>	<u>457</u>	<u>(3,575)</u>
Total expenditures and encumbrances	<u>28,362</u>	<u>28,362</u>	<u>14,046</u>	<u>(14,316)</u>
Revenue over (under) expenditures and encumbrances	(10,862)	(10,862)	(6,705)	4,157
Unencumbered cash, beginning of year	<u>14,877</u>	<u>14,877</u>	<u>14,876</u>	<u>(1)</u>
Unencumbered cash, end of year	<u>\$ 4,015</u>	<u>\$ 4,015</u>	<u>\$ 8,171</u>	<u>\$ 4,156</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 8,171	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 8,171</u>	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The primary purpose of the Special Revenue Funds is to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following nonmajor Special Revenue Funds are reported:

Four Year Old At Risk Fund - used to account for moneys allocated specifically for programs developed for four year olds identified as at risk pupils.

At Risk K-12 Fund - used to account for moneys allocated specifically for programs developed for kindergarten through 12th grade pupils who have been identified as at risk pupils.

Bilingual Education Fund - used to account for moneys received and expended to operate a program of bilingual education.

Virtual Education Fund - used to account for moneys received and expenses to operate a program of virtual education.

Driver Training Fund - used to account for revenue and expenditures of moneys utilized in conducting driver education within the school system.

Food Service Fund - established pursuant to state law to account for all moneys received and expended attributable to the food service program. The program is administered according to the state plan of child nutrition operations under which federal funds are received pursuant to federal acts relating to child nutrition. The programs are administered and meals are served on a nonprofit basis.

Parent Education Program Fund - used to account for state aid received and expenditures incurred to operate a program of education of parents in the District regarding pre-school and selected educational problems of students.

Vocational Education Fund - used to account for revenue received and expenditures incurred for state and federal vocational aid programs and the District's efforts to increase access to advance placement classes and tests for low-income students and account for vocational programs administered in conjunction with the Carl Perkins Vocational Education Act.

Kansas Public Employees Retirement System Special Retirement Contribution Fund - used to account for the employer contributions to the Kansas Public Employees Retirement System (KPERS). These contributions are made by the State of Kansas to the District and then remitted by the District to KPERS.

Special Assessment Fund - used to account for tax moneys collected and expended to other taxing municipalities to pay the District's portion of special assessment taxes on District owned property. The fund is established and maintained in accordance with applicable state statutes.

CARES Fund - Used to account for expenditures related to the COVID-19 pandemic that will be reimbursed from funds made available through the Coronavirus Aid, Relief, and Economic Security Act.

Textbook Revolving Fund - used to account for textbook fees collected and expenditures incurred in conjunction with the purchase and maintenance of textbooks.

Athletic and Activity Fund - used to account for athletic and other activity gate receipts and the expenditures incurred related to those functions.

Americorp Grant Fund - used to account for grant moneys received through the Kansas Department of Education. This grant provides funding geared to education and training of students to prepare them for the workforce.

Kansas Beef Council Grant Fund - to account for special food service and nutrition related grants and contributions.

Title II A Fund - used to account for revenue and expenditures of programs in mathematics, science, computer learning or foreign language administered in conjunction with the Dwight D. Eisenhower Mathematics and Science Act.

Title I Fund - used to account for revenue and expenditures of programs administered in conjunction with the ESEA Chapter I (Low Income) Aid.

English Language Learners Title ID Fund - used to account for revenues and expenditures related to the English Language Acquisition grant to assist children with limited English proficiency.

Kansas Coordinated School Health Grant Fund - used to account for revenues and expenditures related to the Coordinated School Health Program funded by the State of Kansas to help youth establish healthful behaviors and attitudes.

Special Grants Fund - used to account for revenue and expenditures of programs administered in conjunction with non-governmental grants awarded the District.

National Math & Science Initiative Fund - used to account for grant moneys received through the National Math & Science Institute College Readiness Program. The program is designed to elevate public education rigor and student performance in the educational disciplines of science, technology, engineering and math utilizing performance-based accountability and rigorous demand for results in expanding the number of students enrolled and achieving qualifying scores on Advance Placement® math, science and English exams, especially among economically disadvantaged and minority students.

Alcohol and Drug Prevention Grant - City of Derby Fund - used to account for the appropriation of resources from the City of Derby for alcohol and drug education programs.

Derby Education Foundation/Boeing/Derby Community Foundation Grant Fund - used to account for grant moneys received from a collaboration of supporters to provide financial literacy education for K-12 students and teachers of the District.

Preschool Block Grant - The Opportunity Project Fund - used to account for grant moneys received through The Opportunity Project (TOP) Early Learning Centers which was awarded by the Kansas Department of Children and Families to support working families and offer full and half-day learning opportunities to TOP kids through a variety of learning activities and programs.

Military Academic/Support Program Grant Fund - used to account for grant moneys received through Department of Defense Education Activity DoDEA Educational Partnership Program. The grant program specifically provides resources to military-connected local education agencies to develop and implement projects that are designed to increase academic performance based on college and career ready outcomes, support social emotional needs of military connected students, enhance and integrate technology through instruction and student work, and promote advanced placement and expanded learning opportunities.

Title IV Fund - used to account for revenues and expenditures related to the Student Support and Academic Enrichment Program Grant to provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievement and digital literacy for all students.

District Activity Fund - used to account for revenue and expenses relating to co-curricular activities which have student participation in the activity, but are administered by the District.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds						
	At Risk 4 Yr Olds	At Risk K-12	Bilingual Education	Virtual Education	Driver Training	Food Service	Parent Education
Assets:							
Cash, cash equivalents and investments	\$ 35,794	\$ 292,745	\$ 64,491	\$ 49,222	\$ 64,268	\$ 286,080	\$ 2,589
Property tax receivable	-	-	-	-	-	-	-
Federal receivable	-	-	-	-	-	-	-
Total assets	<u>\$ 35,794</u>	<u>\$ 292,745</u>	<u>\$ 64,491</u>	<u>\$ 49,222</u>	<u>\$ 64,268</u>	<u>\$ 286,080</u>	<u>\$ 2,589</u>
Liabilities:							
Accounts payable	\$ -	\$ 11,500	\$ 321	\$ -	\$ -	\$ 57,894	\$ 80
Accrued payroll	-	281,245	64,170	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>292,745</u>	<u>64,491</u>	<u>-</u>	<u>-</u>	<u>57,894</u>	<u>80</u>
Deferred inflows of resources:							
Property tax receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	35,794	-	-	49,222	64,268	-	-
Committed	-	-	-	-	-	228,186	2,509
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>35,794</u>	<u>-</u>	<u>-</u>	<u>49,222</u>	<u>64,268</u>	<u>228,186</u>	<u>2,509</u>
Total liabilities and fund balances	<u>\$ 35,794</u>	<u>\$ 292,745</u>	<u>\$ 64,491</u>	<u>\$ 49,222</u>	<u>\$ 64,268</u>	<u>\$ 286,080</u>	<u>\$ 2,589</u>

-Continued-

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds						
	Vocational Education	KPERS Retirement	Special Assessment	CARES	Textbook Revolving	Athletic and Activity	Americorp Grant
Assets:							
Cash, cash equivalents and investments	\$ 305,908	\$ -	\$ 976,966	\$ 57,433	\$ 2,720,710	\$ 2,099	\$ -
Property tax receivable	-	-	6,671	-	-	-	-
Federal receivable	-	-	-	-	-	-	45,625
Total assets	<u>\$ 305,908</u>	<u>\$ -</u>	<u>\$ 983,637</u>	<u>\$ 57,433</u>	<u>\$ 2,720,710</u>	<u>\$ 2,099</u>	<u>\$ 45,625</u>
Liabilities:							
Accounts payable	\$ 899	\$ -	\$ -	\$ 54,059	\$ 856,879	\$ -	\$ -
Accrued payroll	90,914	-	-	-	-	-	323
Due to other funds	-	-	-	-	-	-	45,302
Total liabilities	<u>91,813</u>	<u>-</u>	<u>-</u>	<u>54,059</u>	<u>856,879</u>	<u>-</u>	<u>45,625</u>
Deferred inflows of resources:							
Property tax receivable	-	-	6,671	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	214,095	-	976,966	3,374	1,863,831	-	-
Committed	-	-	-	-	-	2,099	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>214,095</u>	<u>-</u>	<u>976,966</u>	<u>3,374</u>	<u>1,863,831</u>	<u>2,099</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 305,908</u>	<u>\$ -</u>	<u>\$ 983,637</u>	<u>\$ 57,433</u>	<u>\$ 2,720,710</u>	<u>\$ 2,099</u>	<u>\$ 45,625</u>

-Continued-

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds						
	Kansas Beef Council Grant	Title IIA	Title I	English Language Learners Title III	Kansas Coordinated School Health Grant	Special Grants	National Math & Science Initiative
Assets:							
Cash, cash equivalents and investments	\$ 23,999	\$ 4,156	\$ 108,836	\$ 13,645	\$ 798	\$ 14,403	\$ -
Property tax receivable	-	-	-	-	-	-	-
Federal receivable	-	1,232	-	1,455	-	-	-
Total assets	<u>\$ 23,999</u>	<u>\$ 5,388</u>	<u>\$ 108,836</u>	<u>\$ 15,100</u>	<u>\$ 798</u>	<u>\$ 14,403</u>	<u>\$ -</u>
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 15,100	\$ -	\$ 155	\$ -
Accrued payroll	-	5,388	60,696	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>5,388</u>	<u>60,696</u>	<u>15,100</u>	<u>-</u>	<u>155</u>	<u>-</u>
Deferred inflows of resources:							
Deferred property taxes	-	-	-	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	23,999	-	48,140	-	798	14,248	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>23,999</u>	<u>-</u>	<u>48,140</u>	<u>-</u>	<u>798</u>	<u>14,248</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 23,999</u>	<u>\$ 5,388</u>	<u>\$ 108,836</u>	<u>\$ 15,100</u>	<u>\$ 798</u>	<u>\$ 14,403</u>	<u>\$ -</u>

-Continued-

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds						
	Alcohol & Drug Prevention Grant - City of Derby	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Preschool Block Grant - The Opportunity Project	Military Academic/ Support Program Grant	Title IV	District Activity	Total Nonmajor Governmental Funds
Assets:							
Cash, cash equivalents and investments	\$ 2,567	\$ 9,894	\$ -	\$ -	\$ 3,505	\$ 65,218	\$ 5,105,326
Property tax receivable	-	-	-	-	-	-	6,671
Federal receivable	-	-	34,081	160,752	4,351	-	247,496
Total assets	<u>\$ 2,567</u>	<u>\$ 9,894</u>	<u>\$ 34,081</u>	<u>\$ 160,752</u>	<u>\$ 7,856</u>	<u>\$ 65,218</u>	<u>\$ 5,359,493</u>
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 17,313	\$ -	\$ 2,900	\$ -	\$ 1,017,100
Accrued payroll	-	-	-	438	3,556	-	506,730
Due to other funds	-	-	16,768	160,314	-	-	222,384
Total liabilities	<u>-</u>	<u>-</u>	<u>34,081</u>	<u>160,752</u>	<u>6,456</u>	<u>-</u>	<u>1,746,214</u>
Deferred inflows of resources:							
Deferred property taxes	-	-	-	-	-	-	6,671
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,567	9,894	-	-	1,400	-	3,308,596
Committed	-	-	-	-	-	65,218	298,012
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>2,567</u>	<u>9,894</u>	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>65,218</u>	<u>3,606,608</u>
Total liabilities and fund balances	<u>\$ 2,567</u>	<u>\$ 9,894</u>	<u>\$ 34,081</u>	<u>\$ 160,752</u>	<u>\$ 7,856</u>	<u>\$ 65,218</u>	<u>\$ 5,359,493</u>

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds						
	At Risk 4 Yr Olds	At Risk K-12	Bilingual Education	Virtual Education	Driver Training	Food Service	Parent Education
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	130,862	4,573,819	1,087,846	112,000	9,750	38,632	362,327
Federal aid	-	-	-	-	-	1,638,970	-
Charges for services	-	-	-	-	-	965,913	-
Earnings on investments	-	-	-	-	-	5,169	-
Contributions	-	-	-	-	-	-	-
Other	-	-	-	-	(300)	4,481	3,127
Total revenue	<u>130,862</u>	<u>4,573,819</u>	<u>1,087,846</u>	<u>112,000</u>	<u>9,450</u>	<u>2,653,165</u>	<u>365,454</u>
Expenditures:							
Instruction	184,056	4,549,406	1,087,846	62,778	2,633	-	-
Student support services	-	21,270	-	-	-	-	363,422
Instructional support services	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	1,417
Operations and maintenance	-	-	-	-	-	1,189	1,206
Student transportation services	-	3,143	-	-	-	9,369	55
Food service	-	-	-	-	-	3,463,972	-
Architectural and engineering services	-	-	-	-	-	-	-
Total expenditures	<u>184,056</u>	<u>4,573,819</u>	<u>1,087,846</u>	<u>62,778</u>	<u>2,633</u>	<u>3,474,530</u>	<u>366,100</u>
Net change in fund balances	(53,194)	-	-	49,222	6,817	(821,365)	(646)
Fund balances at beginning of year	<u>88,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,451</u>	<u>1,049,551</u>	<u>3,155</u>
Fund balances at end of year	<u>\$ 35,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,222</u>	<u>\$ 64,268</u>	<u>\$ 228,186</u>	<u>\$ 2,509</u>

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DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds						
	Vocational Education	KPERS Retirement	Special Assessment	CARES	Textbook Revolving	Athletic and Activity	Americorp Grant
Revenues:							
Taxes	\$ -	\$ -	\$ 262,593	\$ -	\$ -	\$ -	\$ -
State aid	1,144,282	6,906,985	-	-	250,000	-	-
Federal aid	72,516	-	-	100,913	-	-	162,618
Charges for services	-	-	-	-	380,951	151,416	-
Earnings on investments	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Other	18,409	-	-	-	2,488	-	98
Total revenue	<u>1,235,207</u>	<u>6,906,985</u>	<u>262,593</u>	<u>100,913</u>	<u>633,439</u>	<u>151,416</u>	<u>162,716</u>
Expenditures:							
Instruction	1,027,837	4,765,818	-	-	923,548	152,565	157,831
Student support services	-	621,629	-	-	-	-	-
Instructional support services	50	138,140	-	18,417	-	-	4,885
General administration	-	138,140	-	-	-	-	-
School administration	-	414,419	-	-	-	695	-
Central services	-	69,070	-	30,393	-	-	-
Operations and maintenance	-	414,419	-	48,729	-	-	-
Student transportation services	28,771	207,210	-	-	-	-	-
Food service	-	138,140	-	-	-	-	-
Architectural and engineering services	-	-	220,402	-	-	-	-
Total expenditures	<u>1,056,658</u>	<u>6,906,985</u>	<u>220,402</u>	<u>97,539</u>	<u>923,548</u>	<u>153,260</u>	<u>162,716</u>
Net change in fund balances	178,549	-	42,191	3,374	(290,109)	(1,844)	-
Fund balances at beginning of year	<u>35,546</u>	<u>-</u>	<u>934,775</u>	<u>-</u>	<u>2,153,940</u>	<u>3,943</u>	<u>-</u>
Fund balances at end of year	<u>\$ 214,095</u>	<u>\$ -</u>	<u>\$ 976,966</u>	<u>\$ 3,374</u>	<u>\$ 1,863,831</u>	<u>\$ 2,099</u>	<u>\$ -</u>

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DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds						
	Kansas Beef Council Grant	Title IIA	Title I	English Language Learners Title III	Kansas Coordinated School Health Grant	Special Grants	National Math & Science Initiative
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	-	-	-	-	-	133,127	-
Federal aid	-	151,930	882,627	53,195	-	-	3,663
Charges for services	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	19,540	-
Other	23,636	-	-	-	-	-	-
Total revenue	23,636	151,930	882,627	53,195	-	152,667	3,663
Expenditures:							
Instruction	-	-	712,103	53,195	-	21,251	3,663
Student support services	-	-	85,358	-	-	-	-
Instructional support services	-	131,469	-	-	-	-	-
General administration	-	2,332	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	126,791	-
Student transportation services	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	25,226	-
Food service	-	-	-	-	-	-	-
Architectural and engineering services	-	-	-	-	-	-	-
Total expenditures	-	133,801	797,461	53,195	-	173,268	3,663
Net change in fund balances	23,636	18,129	85,166	-	-	(20,601)	-
Fund balances at beginning of year	363	(18,129)	(37,026)	-	798	34,849	-
Fund balances at end of year	\$ 23,999	\$ -	\$ 48,140	\$ -	\$ 798	\$ 14,248	\$ -

-Continued-

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020**

	Special Revenue Funds						
	Alcohol & Drug Prevention Grant - City of Derby	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Preschool Block Grant - The Opportunity Project	Military Academic/ Support Program Grant	Title IV	District Activity	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,593
State aid	-	-	-	-	-	-	14,749,630
Federal aid	-	-	-	169,514	62,554	-	3,298,500
Charges for services	-	-	-	-	-	366,444	1,864,724
Earnings on investments	-	-	-	-	-	-	5,169
Contributions	-	-	-	-	-	-	19,540
Other	-	-	87,674	-	-	-	139,613
Total revenue	-	-	87,674	169,514	62,554	366,444	20,339,769
Expenditures:							
Instruction	-	-	85,474	78,906	-	373,390	14,242,300
Student support services	1,002	-	-	-	1,143	-	1,093,824
Instructional support services	-	-	-	84,271	60,011	-	437,243
General administration	-	-	-	-	-	-	140,472
School administration	-	-	-	-	-	-	415,114
Central services	-	-	-	-	-	-	100,880
Operations and maintenance	-	-	2,200	-	-	-	594,534
Student transportation services	-	-	-	-	-	-	248,548
Other support services	-	-	-	-	-	-	25,226
Food service	-	-	-	-	-	-	3,602,112
Community service operations	-	-	-	-	-	-	-
Architectural and engineering services	-	-	-	-	-	-	220,402
Total expenditures	1,002	-	87,674	163,177	61,154	373,390	21,120,655
Net change in fund balances	(1,002)	-	-	6,337	1,400	(6,946)	(780,886)
Fund balances at beginning of year	3,569	9,894	-	(6,337)	-	72,164	4,387,494
Fund balances at end of year	<u>\$ 2,567</u>	<u>\$ 9,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 65,218</u>	<u>\$ 3,606,608</u>

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
At Risk 4 Year Old Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	\$ 212,928	\$ 212,928	\$ 130,862	\$ (82,066)
Expenditures and encumbrances:				
Instruction	<u>301,916</u>	<u>301,916</u>	<u>184,056</u>	<u>(117,860)</u>
Revenue over (under) expenditures and encumbrances	(88,988)	(88,988)	(53,194)	35,794
Unencumbered cash, beginning of year	<u>88,988</u>	<u>88,988</u>	<u>88,988</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,794</u>	<u>\$ 35,794</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 35,794	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 35,794</u>	

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
At Risk K-12 Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	<u>\$ 6,440,628</u>	<u>\$ 6,440,628</u>	<u>\$ 4,573,819</u>	<u>\$ (1,866,809)</u>
Expenditures and encumbrances:				
Instruction	6,436,494	6,436,494	4,549,407	(1,887,087)
Student support services	-	-	21,269	21,269
Student transportation services	<u>4,134</u>	<u>4,134</u>	<u>3,143</u>	<u>(991)</u>
Total expenditures and encumbrances	<u>6,440,628</u>	<u>6,440,628</u>	<u>4,573,819</u>	<u>(1,866,809)</u>
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Bilingual Education Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	<u>\$ 1,148,529</u>	<u>\$ 1,148,529</u>	<u>\$ 1,087,846</u>	<u>\$ (60,683)</u>
Expenditures and encumbrances:				
Instruction	1,098,432	1,098,432	1,087,846	(10,586)
Instructional support staff	<u>50,097</u>	<u>50,097</u>	<u>-</u>	<u>(50,097)</u>
Total expenditures and encumbrances	<u>1,148,529</u>	<u>1,148,529</u>	<u>1,087,846</u>	<u>(60,683)</u>
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u><u>\$ -</u></u>	

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Virtual Education Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	\$ 97,325	\$ 97,325	\$ 112,000	\$ 14,675
Expenditures and encumbrances:				
Instruction	-	-	62,778	62,778
Revenue over (under) expenditures and encumbrances	97,325	97,325	49,222	(48,103)
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	<u>\$ 97,325</u>	<u>\$ 97,325</u>	<u>\$ 49,222</u>	<u>\$ (48,103)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 49,222	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			<u>\$ 49,222</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Driver Training Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
State aid	\$ 10,140	\$ 10,140	\$ 9,750	\$ (390)
Other	<u>24,000</u>	<u>24,000</u>	<u>(300)</u>	<u>(24,300)</u>
Total revenue	<u>34,140</u>	<u>34,140</u>	<u>9,450</u>	<u>(24,690)</u>
Expenditures and encumbrances:				
Instruction	<u>43,402</u>	<u>43,402</u>	<u>2,627</u>	<u>(40,775)</u>
Revenue over (under) expenditures and encumbrances	(9,262)	(9,262)	6,823	16,085
Unencumbered cash, beginning of year	<u>57,445</u>	<u>57,445</u>	<u>57,445</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 48,183</u>	<u>\$ 48,183</u>	<u>\$ 64,268</u>	<u>\$ 16,085</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 64,268	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 64,268</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Food Service Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 31,222	\$ 31,222	\$ 37,700	\$ 6,478
Federal aid	1,995,827	1,995,827	1,638,970	(356,857)
Charges for services	1,018,055	1,018,055	965,913	(52,142)
Earnings on investments	6,500	6,500	5,169	(1,331)
Other	4,750	4,750	4,483	(267)
Transfers from other funds	-	-	932	932
Total revenue	<u>3,056,354</u>	<u>3,056,354</u>	<u>2,653,167</u>	<u>(403,187)</u>
Expenditures and encumbrances:				
Operations and maintenance	35,250	35,250	1,189	(34,061)
Student transportation services	-	-	7,701	7,701
Food service	<u>3,783,937</u>	<u>3,783,937</u>	<u>3,449,792</u>	<u>(334,145)</u>
Total expenditures and encumbrances	<u>3,819,187</u>	<u>3,819,187</u>	<u>3,458,682</u>	<u>(360,505)</u>
Revenue over (under) expenditures and encumbrances	(762,833)	(762,833)	(805,515)	(42,682)
Unencumbered cash, beginning of year	<u>1,011,355</u>	<u>1,011,355</u>	<u>1,011,355</u>	-
Unencumbered cash, end of year	<u>\$ 248,522</u>	<u>\$ 248,522</u>	<u>\$ 205,840</u>	<u>\$ (42,682)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 205,840	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>22,346</u>	
GAAP fund balance, end of year			<u>\$ 228,186</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Parent Education Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 230,256	\$ 230,256	\$ 219,343	\$ (10,913)
Other	3,500	3,500	3,127	(373)
Transfer from other funds	<u>145,128</u>	<u>145,128</u>	<u>142,984</u>	<u>(2,144)</u>
Total revenue	<u>378,884</u>	<u>378,884</u>	<u>365,454</u>	<u>(13,430)</u>
Expenditures and encumbrances:				
Student support services	378,352	378,352	363,994	(14,358)
Operations and maintenance	-	-	1,206	1,206
Central services	1,750	1,750	1,417	(333)
Student transportation services	<u>-</u>	<u>-</u>	<u>55</u>	<u>55</u>
Total expenditures and encumbrances	<u>380,102</u>	<u>380,102</u>	<u>366,672</u>	<u>(13,430)</u>
Revenue over (under) expenditures and encumbrances	(1,218)	(1,218)	(1,218)	-
Unencumbered cash, beginning of year	<u>1,218</u>	<u>1,218</u>	<u>1,218</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			2,509	
Inventory			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 2,509</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Vocational Education Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final Budget Over (Under)
	Original	Final	Basis	
Revenue:				
State aid	\$ 12,982	\$ 12,982	\$ 19,282	\$ 6,300
Federal aid	65,000	65,000	72,516	7,516
Other	-	-	18,409	18,409
Transfer from other funds	<u>1,327,270</u>	<u>1,327,270</u>	<u>1,125,000</u>	<u>(202,270)</u>
Total revenue	<u>1,405,252</u>	<u>1,405,252</u>	<u>1,235,207</u>	<u>(170,045)</u>
Expenditures and encumbrances:				
Instruction	1,241,722	1,241,722	1,023,358	(218,364)
Instructional support services	-	-	50	50
Student transportation services	26,530	26,530	28,629	2,099
Other support services	<u>165,000</u>	<u>165,000</u>	<u>-</u>	<u>(165,000)</u>
Total expenditures and encumbrances	<u>1,433,252</u>	<u>1,433,252</u>	<u>1,052,037</u>	<u>(381,215)</u>
Revenue over (under) expenditures and encumbrances	(28,000)	(28,000)	183,170	211,170
Unencumbered cash, beginning of year	<u>30,925</u>	<u>30,925</u>	<u>30,925</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 2,925</u>	<u>\$ 2,925</u>	<u>\$ 214,095</u>	<u>\$ 211,170</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 214,095	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
Due from others			-	
GAAP fund balance, end of year			<u>\$ 214,095</u>	

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
KPERS Special Retirement Contribution Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 7,529,244	\$ 7,529,244	\$ 6,906,985	\$ (622,259)
Expenditures and encumbrances:				
Instruction	5,594,244	5,594,244	4,765,820	(828,424)
Student support services	650,000	650,000	621,629	(28,371)
Instructional support services	135,000	135,000	138,140	3,140
General administration	95,000	95,000	138,140	43,140
School administration	385,000	385,000	414,419	29,419
Central services	75,000	75,000	69,070	(5,930)
Operations and maintenance	325,000	325,000	414,419	89,419
Student transportation services	145,000	145,000	207,208	62,208
Food service	125,000	125,000	138,140	13,140
Total expenditures and encumbrances	7,529,244	7,529,244	6,906,985	(622,259)
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -	\$ -
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
Inventory			-	
GAAP fund balance, end of year			\$ -	

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Special Assessment Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 254,011	\$ 254,011	\$ 262,593	\$ 8,582
Expenditures and encumbrances:				
Facilities acquisition	<u>1,100,000</u>	<u>1,100,000</u>	<u>220,402</u>	<u>(879,598)</u>
Revenue over (under) expenditures and encumbrances	(845,989)	(845,989)	42,191	888,180
Unencumbered cash, beginning of year	<u>934,775</u>	<u>934,775</u>	<u>934,775</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 88,786</u>	<u>\$ 88,786</u>	<u>\$ 976,966</u>	<u>\$ 888,180</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 976,966	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 976,966</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Capital Outlay Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 3,832,918	\$ 3,832,918	\$ 3,937,069	\$ 104,151
State aid	1,616,635	1,616,635	1,613,916	(2,719)
Federal aid	35,000	35,000	52,572	17,572
Earnings on investments	-	-	132,722	132,722
Other	-	-	202,196	202,196
Total revenue	<u>5,484,553</u>	<u>5,484,553</u>	<u>5,938,475</u>	<u>453,922</u>
Expenditures and encumbrances:				
Instruction	3,180,677	3,180,677	2,693,701	(486,976)
Student support services	-	-	28,120	28,120
Instructional support services	77,052	77,052	8,738	(68,314)
General administration	-	-	546	546
School administration	-	-	5,954	5,954
Central services	45,000	45,000	409,617	364,617
Operations and maintenance	2,023,097	2,023,097	1,164,230	(858,867)
Student transportation services	1,012,000	1,012,000	592,081	(419,919)
Other support services	95,000	95,000	28,472	(66,528)
Other	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Total expenditures and encumbrances	<u>6,732,826</u>	<u>6,732,826</u>	<u>4,931,459</u>	<u>(1,801,367)</u>
Revenue over (under) expenditures and encumbrances	(1,248,273)	(1,248,273)	1,007,016	2,255,289
Unencumbered cash, beginning of year	<u>3,952,943</u>	<u>3,952,943</u>	<u>3,952,944</u>	<u>1</u>
Unencumbered cash, end of year	<u>\$ 2,704,670</u>	<u>\$ 2,704,670</u>	<u>\$ 4,959,960</u>	<u>\$ 2,255,290</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 4,959,960	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>554,073</u>	
GAAP fund balance, end of year			<u>\$ 5,514,033</u>	

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Bond & Interest Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 7,727,492	\$ 7,727,492	\$ 7,913,588	\$ 186,096
State aid	<u>2,768,692</u>	<u>2,768,692</u>	<u>2,768,692</u>	<u>-</u>
Total revenue	<u>10,496,184</u>	<u>10,496,184</u>	<u>10,682,280</u>	<u>186,096</u>
Expenditures and encumbrances:				
Principal	2,875,000	2,875,000	2,875,000	-
Interest and fiscal charges	<u>6,947,449</u>	<u>6,947,449</u>	<u>6,947,447</u>	<u>(2)</u>
Total expenditures and encumbrances	<u>9,822,449</u>	<u>9,822,449</u>	<u>9,822,447</u>	<u>(2)</u>
Revenue over (under) expenditures and encumbrances	673,735	673,735	859,833	186,098
Unencumbered cash, beginning of year	<u>6,984,148</u>	<u>6,984,148</u>	<u>6,984,148</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 7,657,883</u>	<u>\$ 7,657,883</u>	<u>\$ 7,843,981</u>	<u>\$ 186,098</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 7,843,981	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 7,843,981</u>	

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs.

Agency Funds

Payroll Deductions Fund - to account for the various taxes and other elected withholdings from employees of the District.

Sales Tax Payable Fund - to account for the collection of State and local sales tax on miscellaneous taxable sales of the District, generally fund raising activities of the student activity funds.

Student Activity Funds - to account for moneys held on behalf of the various student organizations.

Derby Recreation Fund - used to account for the receipt and disbursement of taxes levied on behalf on the Derby Recreation Commission as provided for by applicable state statutes.

Derby Recreation Employee Benefits Fund - used to account for the receipt and disbursement of taxes levied on behalf of the Derby Recreation Commission for employee benefit expenditures as provided for by applicable State Statutes.

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020**

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Deductions Fund				
Assets				
Cash and investments	\$ 1,600,539	\$ 29,009,220	\$ 28,519,474	\$ 2,090,285
Liabilities				
Payroll withholdings payable	\$ 1,600,539	\$ 29,009,220	\$ 28,519,474	\$ 2,090,285
Sales Tax Payable Fund				
Assets				
Cash and investments	\$ (6,421)	\$ 22,342	\$ 21,514	\$ (5,593)
Liabilities				
Sales tax payable	\$ (6,421)	\$ 22,342	\$ 21,514	\$ (5,593)
Student Activity Fund				
Assets				
Cash and investments	\$ 433,069	\$ 428,010	\$ 380,590	\$ 480,489
Liabilities				
Due to others	\$ 433,069	\$ 428,010	\$ 380,590	\$ 480,489
Derby Recreation				
Assets				
Cash and investments	\$ -	\$ 2,752,785	\$ 2,752,785	\$ -
Liabilities				
Due to others	\$ -	\$ 2,752,785	\$ 2,752,785	\$ -
Derby Recreation Employee Benefits				
Assets				
Cash and investments	\$ 8,583	\$ 946,210	\$ 954,793	\$ -
Liabilities				
Due to others	\$ 8,583	\$ 946,210	\$ 954,793	\$ -
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,035,770	\$ 33,158,567	\$ 32,629,156	\$ 2,565,181
Liabilities				
Payroll withholdings and taxes payable	\$ 1,594,118	\$ 29,031,562	\$ 28,540,988	\$ 2,084,692
Due to others	441,652	4,127,005	4,088,168	480,489
Total liabilities	\$ 2,035,770	\$ 33,158,567	\$ 32,629,156	\$ 2,565,181

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Recreation Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 2,852,828	\$ 2,852,828	\$ 2,752,785	\$ (100,043)
Expenditures and encumbrances:				
Appropriation to recreation commission	<u>2,834,215</u>	<u>2,834,215</u>	<u>2,752,785</u>	<u>(81,430)</u>
Revenue over (under) expenditures and encumbrances	18,613	18,613	-	(18,613)
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 18,613</u>	<u>\$ 18,613</u>	<u>\$ -</u>	<u>\$ (18,613)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Recreation - Employee Benefits Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 993,871	\$ 993,871	\$ 946,210	\$ (47,661)
Expenditures and encumbrances:				
Appropriation to recreation commission	<u>991,528</u>	<u>991,528</u>	<u>954,793</u>	<u>(36,735)</u>
Revenue over (under) expenditures and encumbrances	2,343	2,343	(8,583)	(10,926)
Unencumbered cash, beginning of year	<u>8,449</u>	<u>8,449</u>	<u>8,583</u>	<u>134</u>
Unencumbered cash, end of year	<u>\$ 10,792</u>	<u>\$ 10,792</u>	<u>\$ -</u>	<u>\$ (10,792)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

STATISTICAL SECTION

Derby Unified School District No. 260

STATISTICAL SECTION

This part of the Derby Unified School District No. 260's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	92
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	96
These schedules contain information to help the reader assess the District's most significant local revenue source.	
Debt Capacity	100
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	107
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the District's Comprehensive Annual Financial Reports for the relevant year.

Unified School District No. 260, Derby, Kansas

Net Position by Component Governmental Activities, Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 30,108,339	\$ 32,137,347	\$ 33,680,814	\$ 40,266,732	\$ 39,027,456	\$ 29,360,735	\$ 29,956,187	\$ 27,660,299	\$ 96,351,707	\$ 28,018,137
Restricted for debt service	2,986,754	2,864,462	3,340,724	3,497,704	4,035,190	4,178,872	4,622,934	6,276,341	5,275,062	7,843,981
Restricted for construction	-	-	-	-	-	1,125,275	-	-	113,952,214	13,238,501
Restricted for educational services	-	7,598,700	3,449,022	1,309,607	9,996,247	956,759	2,408,982	3,078,872	9,679,733	9,019,434
Unrestricted	3,344,898	(4,563,609)	(1,957,913)	(60,425,382)*	(59,166,086)	(60,163,051)	(58,736,369)	(53,636,145)	(245,278,336)	(63,233,290)
Total governmental activities net position	<u>\$ 36,439,991</u>	<u>\$ 38,036,900</u>	<u>\$ 38,512,647</u>	<u>\$ (15,351,339)</u>	<u>\$ (6,107,193)</u>	<u>\$ (24,541,410)</u>	<u>\$ (21,748,266)</u>	<u>\$ (16,620,633)</u>	<u>\$ (20,019,620)</u>	<u>\$ (5,113,237)</u>

* 2014 Restated for implementation of GASB Statement No. 68

Unified School District No. 260, Derby, Kansas

Changes in Net Position of Governmental Activities, Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
<i>Governmental Activities:</i>										
Instruction	\$ 41,938,811	\$ 42,403,455	\$ 42,459,420	\$ 43,209,151	\$ 38,743,590	\$ 55,309,078	\$ 46,800,139	\$ 44,999,643	\$ 57,957,142	\$ 44,102,860
Student support services	3,599,410	4,109,789	4,262,776	3,935,280	1,736,163	5,580,918	4,926,226	4,504,614	5,421,288	5,520,317
Instructional support services	2,079,879	2,140,007	1,990,559	2,177,544	1,598,306	1,629,933	1,900,754	1,930,214	2,036,657	2,042,131
General administration	695,498	903,615	967,197	1,135,450	811,350	1,209,878	1,222,851	1,278,427	1,632,921	1,621,967
School administration	2,955,668	2,957,498	3,009,629	3,000,687	2,452,295	3,866,916	3,180,128	3,331,677	3,901,162	3,918,312
Central support services	847,771	777,962	889,976	1,182,908	718,140	1,037,219	1,291,811	1,309,806	7,804,761	1,655,449
Operations and maintenance	6,349,247	5,813,514	6,651,140	5,972,752	7,340,050	9,526,429	6,930,089	7,268,413	1,273,650	7,509,467
Student transportation	1,290,689	1,384,395	1,448,386	1,239,101	1,171,892	1,804,271	1,786,908	1,712,342	2,191,184	2,163,150
Food service operations	2,769,580	2,903,048	3,005,371	2,992,931	2,845,582	3,451,869	3,407,964	3,387,659	3,495,392	458,614
Community service operations	171,640	127,363	133,609	127,268	142,172	137,403	137,451	137,648	145,011	3,585,931
Recreation	2,964,864	2,973,777	3,015,576	2,978,234	2,994,068	2,955,061	3,271,832	3,383,378	-	145,024
Interest on long-term debt	308,101	288,688	2,390,052	2,296,571	2,286,167	8,192,087	2,297,804	2,466,075	5,934,787	5,924,004
Total governmental activities expenses	65,971,158	66,783,111	70,223,691	70,247,877	62,839,775	94,701,062	77,153,957	75,709,896	91,793,955	78,647,226
Program revenues										
<i>Governmental Activities:</i>										
Instruction	1,075,769	1,235,358	1,000,939	1,150,115	1,070,933	1,091,760	1,055,587	1,034,929	2,342,180	1,827,996
Student support services	483,125	499,399	465,285	544,375	504,755	553,653	540,025	481,054	604,172	453,642
Instructional support services	376	-	-	-	-	-	-	-	-	-
General administration	443	682	494	300	315	370	2,371	782	-	-
School administration	2,122	5,579	1,687	-	1,256	-	-	-	-	-
Central support services	-	183	38	53	41	28	365	10	-	-
Operations and maintenance	47,969	49,833	56,215	12,095	7,519	3,980	39,189	4,383	304,408	101,098
Student transportation	37,223	44,815	28,571	1,010	631	1,096	52,357	32,588	-	-
Food service operations	1,176,783	1,224,796	1,144,688	1,117,775	1,085,195	1,078,712	1,100,272	1,115,401	1,222,024	970,394
Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	15,933,077	15,198,486	14,794,195	15,790,525	12,711,896	7,311,644	15,806,235	19,840,424	6,084,596	23,183,951
Capital grants and contributions	1,694,573	213,427	719,548	-	122,948	678,221	-	-	-	-
Total governmental activities revenues	20,451,460	18,472,558	18,211,660	18,616,248	15,505,489	10,719,464	18,596,401	22,509,571	10,557,380	26,537,081
Net (Expense)/Revenue										
Total Government net expense	\$ (45,519,698)	\$ (48,310,553)	\$ (52,012,031)	\$ (51,631,629)	\$ (47,334,286)	\$ (83,981,598)	\$ (58,557,556)	\$ (53,200,325)	\$ (81,236,575)	\$ (52,110,145)
General Revenues and Other										
Changes in Net Position										
<i>Governmental activities:</i>										
Property taxes	\$ 18,157,499	\$ 18,413,459	\$ 18,248,040	\$ 18,520,372	\$ 9,700,407	\$ 11,028,407	\$ 10,299,333	\$ 11,430,170	\$ 6,900,537	\$ 6,938,228
Debt Service	2,755,003	2,262,488	3,308,340	3,287,031	3,384,849	3,343,214	3,533,558	3,414,987	7,054,501	7,913,588
Capital Outlay	2,457,491	2,494,718	2,575,411	2,551,930	2,566,778	3,286,823	3,453,605	3,622,927	3,772,870	3,937,068
Grants and entitlements not restricted to specific programs	25,953,157	26,535,940	27,966,231	28,675,797	40,868,543	47,841,847	41,695,281	41,414,326	56,138,601	46,120,419
Investment earnings	27,784	200,857	389,756	263,941	57,855	47,090	95,327	551,966	2,497,169	2,863,048
Total General Revenue	49,350,934	49,907,462	52,487,778	53,299,071	56,578,432	65,547,381	59,077,104	60,434,376	76,363,678	67,772,351
Total Governmental change in net position	\$ 3,831,236	\$ 1,596,909	\$ 475,747	\$ 1,667,442	\$ 9,244,146	\$ (18,434,217)	\$ 519,548	\$ 7,234,051	\$ (4,872,897)	\$ 15,662,206

Unified School District No. 260, Derby, Kansas

Fund Balances, Governmental Funds

(modified accrual basis of accounting)

Last Ten Fiscal Years

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Committed	2,802,617	2,228,647	2,124,720	1,357,772	1,384,473	2,736,374	2,811,288	3,330,854	3,835,229	4,120,585
Assigned	557,396	684,160	509,451	404,623	-	-	154,788	31,082	132,901	63,344
Unassigned	566,685	191,890	234,610	194,227	367,370	516,790	71,362	25,207	23,047	21,922
Total general fund	<u>\$ 3,926,698</u>	<u>\$ 3,104,697</u>	<u>\$ 2,868,781</u>	<u>\$ 1,956,622</u>	<u>\$ 1,751,843</u>	<u>\$ 3,253,164</u>	<u>\$ 3,037,438</u>	<u>\$ 3,387,143</u>	<u>\$ 3,991,177</u>	<u>\$ 4,205,851</u>
All other governmental funds										
Restricted	\$ 10,327,764	\$ 10,463,162	\$ 62,641,858	\$ 13,903,316	\$ 9,996,247	\$ 7,386,181	\$ 7,564,537	\$ 115,412,962	\$ 116,983,396	\$ 72,457,793
Committed	231,571	2,550,013	13,892,282	38,458,136	12,423,968	4,000,633	4,788,992	5,122,640	6,355,958	10,607,374
Assigned	-	684,160	509,451	-	-	-	408,345	6,674,407	3,286,605	5,480,710
Unassigned	-	111,965	234,610	-	-	-	-	-	(13,997)	21,922
Total other governmental funds	<u>\$ 10,559,335</u>	<u>\$ 13,809,300</u>	<u>\$ 77,278,201</u>	<u>\$ 52,361,452</u>	<u>\$ 22,420,215</u>	<u>\$ 11,386,814</u>	<u>\$ 12,761,874</u>	<u>\$ 127,210,009</u>	<u>\$ 126,611,962</u>	<u>\$ 88,567,799</u>

Unified School District No. 260, Derby, Kansas

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 23,369,993	\$ 23,170,665	\$ 24,131,791	\$ 24,359,333	\$ 15,652,034	\$ 17,658,444	\$ 17,286,496	\$ 18,468,084	\$ 17,727,908	\$ 18,788,884
Intergovernmental	43,216,064	41,779,453	42,980,912	43,728,185	53,097,552	55,380,859	56,581,430	60,853,110	62,100,173	69,197,157
Charges for services	2,005,805	2,159,566	2,190,719	2,150,389	2,048,765	2,119,376	2,242,433	2,123,248	2,936,386	2,329,612
Investment earnings	27,784	200,857	390,110	266,142	57,855	47,090	95,327	551,966	2,497,169	2,863,048
Miscellaneous	1,182,748	1,069,479	1,005,906	1,411,270	1,227,715	1,061,076	1,835,424	947,539	1,659,421	1,130,732
Total revenues	69,802,394	68,380,020	70,699,438	71,915,319	72,083,921	76,266,845	78,041,110	82,943,947	86,921,057	94,309,433
Expenditures										
Current:										
Instruction	39,570,228	41,771,951	41,765,390	42,813,960	43,091,186	42,592,186	42,792,370	44,962,993	47,904,157	50,122,727
Student support services	3,919,397	4,118,082	4,259,160	3,925,523	2,413,503	4,677,940	4,921,942	5,098,442	5,160,082	5,869,970
Instructional support services	2,084,755	2,205,393	1,998,625	2,141,407	1,848,770	1,544,471	1,885,754	1,966,826	1,914,020	2,097,017
General administration	694,673	908,345	972,555	1,122,754	964,026	1,006,881	1,210,316	1,382,590	1,272,293	1,652,586
School administration	2,955,482	2,995,354	3,053,698	2,947,060	3,062,375	3,168,578	3,228,101	3,606,424	3,662,780	4,019,616
Operation and maintenance of plant	5,926,274	5,718,185	6,168,075	5,784,833	7,162,348	8,299,040	6,556,107	7,502,829	7,284,731	1,761,970
Central Support Services	845,223	822,798	901,632	1,178,639	812,842	1,161,682	1,286,168	1,408,780	1,010,626	8,321,177
Student transportation services	1,202,028	1,352,093	1,547,737	1,420,995	1,231,607	1,524,142	1,761,566	2,413,831	2,509,032	2,628,287
Other support services	-	-	-	-	-	-	-	-	444,078	468,051
Food service operation	2,814,143	2,925,108	3,008,205	3,033,077	2,985,507	3,093,242	3,053,327	3,154,754	3,386,625	3,602,112
Community service operations	171,640	127,363	133,609	127,268	206,816	137,403	137,451	137,648	145,011	145,024
Recreation	2,964,864	2,973,777	3,015,576	2,978,234	2,994,068	2,955,061	3,271,832	3,383,378	-	-
Capital Outlay										
Facilities acquisition and construction	2,159,968	385,953	3,407,328	27,404,330	33,342,792	10,246,432	969,657	764,818	10,351,587	45,833,789
Debt service:										
Debt principal payments	3,813,062	3,526,358	2,655,753	2,970,199	2,684,881	3,470,665	3,838,880	3,510,895	2,630,000	2,875,000
Debt interest payments	443,917	308,225	2,212,392	2,769,491	2,769,508	2,817,471	2,554,336	2,440,215	6,237,838	6,947,447
Total expenditures	69,565,654	70,138,985	75,099,735	100,617,770	105,570,229	86,695,194	77,467,807	81,734,423	93,912,860	136,344,773
Excess of revenues over (under) expenditures	236,740	(1,758,965)	(4,400,297)	(28,702,451)	(33,486,308)	(10,428,349)	573,303	1,209,524	(6,991,803)	(42,035,340)
Other Financing Sources (Uses)										
Proceeds from sale of general obligation refunding bonds	-	-	61,750,000	3,300,000	-	29,430,000	-	109,775,000	6,150,000	-
Bond Issue costs	-	-	-	-	-	-	-	-	(174,200)	-
Premium on general obligation refunding bonds	-	-	6,525,822	-	-	5,423,831	-	5,216,532	144,200	-
Premium from sale of general obligation bonds	-	-	-	44,550	-	-	-	-	-	-
Proceeds from capitalized lease obligations	-	1,082,232	1,193,376	2,397,774	3,340,292	892,300	586,031	613,937	877,790	-
Payment to refunded bonds escrow agent	-	-	(1,600,000)	-	-	(34,849,862)	-	(2,017,153)	-	-
Transfers in	-	-	-	-	300,000	909,805	1,571,142	1,032,381	-	1,000,000
Transfers out	-	-	-	-	(300,000)	(909,805)	(1,571,142)	(1,032,381)	-	(1,000,000)
Total other financing sources (uses)	-	1,082,232	67,869,198	5,742,324	3,340,292	896,269	586,031	113,588,316	6,997,790	-
Net change in fund balances	\$ 236,740	\$ (676,733)	\$ 63,468,901	\$ (22,960,127)	\$ (30,146,016)	\$ (9,532,080)	\$ 1,159,334	\$ 114,797,840	\$ 5,987	\$ (42,035,340)
Debt service as a percentage of noncapital expenditures	6.35%	5.78%	6.96%	8.25%	7.56%	8.49%	8.49%	7.60%	11.01%	11.01%

Unified School District No. 260, Derby, Kansas

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Table 5

Real Property			Personal Property			
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2011	\$ 294,688,482	\$ 1,940,700,467	\$ 88,163,845	\$ 327,105,498		
2012	294,894,411	1,943,354,168	88,556,759	328,545,576		
2013	297,976,708	1,963,666,506	91,398,158	339,087,166		
2014	296,622,010	1,954,739,046	91,188,333	338,308,715		
2015	297,228,060	1,958,732,915	86,804,666	322,045,311		
2016	294,858,714	1,943,118,925	83,660,057	310,378,811		
2017	309,859,771	2,041,975,891	85,000,520	315,351,929		
2018	318,553,382	2,101,097,604	85,634,998	317,705,842		
2019	335,527,273	2,213,053,099	84,665,205	314,107,909		
2020	360,019,313	2,374,596,405	83,718,545	310,595,800		
Utilities			Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Tax Rate	Actual Value	Actual Value
2011	\$ 8,243,613	\$ 25,208,969	\$ 391,095,940	58.32	\$ 2,293,014,934	17.10%
2012	8,422,396	25,772,532	391,873,566	57.63	2,297,672,276	17.10%
2013	8,566,016	26,181,409	397,940,882	59.31	2,328,935,081	17.10%
2014	8,609,541	26,345,195	396,419,884	60.08	2,319,392,956	17.10%
2015	8,694,827	26,606,171	392,727,553	56.29	2,307,384,397	17.00%
2016	9,711,509	29,717,218	388,230,280	62.16	2,283,214,954	17.00%
2017	9,962,515	30,485,296	404,822,806	59.43	2,387,813,116	17.00%
2018	11,579,888	35,434,457	415,768,268	60.68	2,454,237,903	16.90%
2019	13,364,874	40,896,514	433,557,352	65.70	2,568,057,522	17.00%
2020	14,760,841	45,168,173	458,498,699	66.00	2,730,360,378	16.80%

Source: The above information was obtained from the office of the Sedgwick County Clerk.

Assessed value is calculated by the appraised value times the state assessment percentage by property class. Property class assessment percentages are set by the State Constitution and cannot be adjusted by the county. Classifications of property are appraised at "market value", i.e., estimated actual value, except for Agricultural Land which is appraised at "use value". Property classes and their assessment percentages are as follows: Residential -11.5%; Vacant Lots -12.0%; Not For Profit Organizations - 12.0%; Commercial - 25.0%; Agricultural Improvements - 25.0%; Agricultural Land - 30.0%; and Other Not Elsewhere Classified - 30.0%.

Unified School District No. 260, Derby, Kansas

**Property Tax Rates Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years**

Table 6

Fiscal Year	General Fund	Supplemental General Fund	Capital Outlay	Bond and Interest	Recreation Commission			Total	State, County and Other District	City	Total
					General Fund	Employee Benefit	Special Assessment				
2011	20.000	18.525	6.000	6.578	5.589	1.412	0.220	58.324	31.995	47.818	138.137
2012	20.000	19.265	6.000	5.273	5.589	1.412	0.092	57.631	31.968	47.340	136.939
2013	20.000	18.297	5.998	7.949	5.587	1.411	0.063	59.305	31.987	47.153	138.445
2014	20.000	19.211	5.959	7.897	5.551	1.402	0.063	60.083	31.935	47.054	139.072
2015	20.000	15.127	6.014	7.946	5.600	1.415	0.192	56.294	32.035	46.790	135.119
2016	20.000	17.897	7.992	7.918	5.581	1.409	1.359	62.156	31.951	47.009	141.116
2017	20.000	14.518	8.000	8.054	5.588	1.912	1.361	59.433	31.946	48.021	139.400
2018	20.000	17.170	7.997	7.478	5.585	1.910	0.544	60.684	31.929	48.075	140.688
2019	20.000	13.853	8.000	15.795	5.587	1.918	0.546	65.699	31.908	48.063	145.670
2020	20.000	13.260	8.000	16.706	5.587	1.922	0.529	52.744	31.900	48.049	145.953

Source: The above information was obtained from the office of the Sedgwick County Clerk.

Unified School District No. 260, Derby, Kansas

**Principal Property Taxpayers
Current Year and Nine Years Prior**

Table 7

Taxpayer	2020			2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spirit AeroSystems, Inc	\$ 59,985,346	1	13.08%	\$ 46,027,363	3	11.75%
Mid-Western Aircraft Systems Inc.	46,699,460	2	10.19%	49,279,761	2	12.58%
The Boeing Company	35,024,210	3	7.64%	49,357,444	1	12.60%
Kansas Gas & Electric - A Westar Energy Co.	6,591,488	4	1.44%	3,049,133	5	0.78%
CBC Derby LLC	6,374,675	5	1.39%	-		
Derby Marketplace	4,412,342	6	0.96%	5,162,020	4	1.32%
Walmart Real Estate Business	3,905,254	7	0.85%	2,842,012	6	0.73%
The Greens at Derby	3,772,002	8	0.82%	2,339,246	8	0.60%
Phillips 66 Carrier LLC	2,753,840	9	0.60%	-		
Cole Mt Derby KS LLC	2,541,475	10	0.55%	-		
Kohl's Illinois Inc	-		0.00%	2,402,075	7	0.61%
Target Corporation	-		0.00%	2,102,975	9	0.54%
Southwestern Bell Telephone	-		0.00%	2,096,115	10	0.53%
All Others	<u>286,438,607</u>		<u>62.47%</u>	<u>227,215,422</u>		<u>57.98%</u>
Total	<u>\$ 458,498,699</u>		<u>100.00%</u>	<u>\$ 391,873,566</u>		<u>100.00%</u>

Source: Sedgwick County Clerk Office

Unified School District No. 260, Derby, Kansas

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 8

Fiscal Year	Total Tax Levy (2)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percentage of Total Tax Collections To Tax Levy	Total Current Yr Outstanding Delinquent Taxes	Percent Of Delinquent Taxes To Tax Levy
2011	\$ 22,278,485	\$ 21,613,916	97.02%	\$ 229,974	\$ 21,843,890	98.05%	\$ 664,569	2.98%
2012	22,067,209	21,738,070	98.51%	183,278	21,921,348	99.34%	329,139	1.49%
2013	22,482,841	22,338,881	99.36%	180,700	22,519,581	100.16%	143,960	0.64%
2014	23,269,560	22,460,503	96.52%	140,227	22,600,730	97.13%	809,057	3.48%
2015	14,253,668	14,012,474	98.31%	151,569	14,164,043	99.37%	241,194	1.69%
2016	16,366,032	16,033,107	97.97%	180,249	16,213,356	99.07%	332,925	2.03%
2017	16,382,800	15,572,844	95.06%	1,310,920	16,883,764	103.06%	809,956	4.94%
2018	16,930,396	16,845,501	99.50%	147,435	16,992,936	100.37%	84,895	0.50%
2019	18,575,058	17,723,909	95.42%	851,149	18,575,058	100.00%	-	0.00%
2020	19,832,190	19,489,471	98.27%	342,719	19,832,190	100.00%	342,719	1.73%

Source: Sedgwick County Clerk and County Treasurer's office

(1) County Treasurer's records do not provide a determination of which year the collections in subsequent years is applied to. For this schedule all collections of delinquent taxes are applied to the preceding year.

(2) Excludes tax levy and collections for the General Fund. General Fund tax collections are distributed directly to the State of Kansas by the County Treasurer and then re-distributed to Kansas school districts under the State Aid formula.

Unified School District No. 260, Derby, Kansas

**Ratios of Net General Bonded Debt to Assessed Value
Total Bonded Debt Per Capita and
Net Bonded Debt Per Pupil
Last Ten Fiscal Years
(dollars in thousands)**

Table 9

Fiscal Year	Population (1)	Total District Enrollment	Assessed Value	Gross Bonded Debt	Capital Leases And Certificates Of Participation	Unamortized Premium On General Obligation Bonds	Total Debt	Amount Available From Service Fund	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Total Debt Per Capita	Net Bonded Debt Per Pupil	Total Debt As A Percentage Of Personal Income
2011	44,500	6,790	391,874	7,390	1,902		9,292	2,978	4,412	1.13%	209	650	0.05%
2012	44,525	6,717	397,941	4,620	2,228		6,848	2,864	1,756	0.44%	154	261	0.33%
2013	45,860	6,866	396,420	63,175	2,360	6,069	71,604	3,341	65,903	16.62%	1,561	9,598	0.31%
2014	47,236	6,953	392,728	64,820	3,443	5,653	73,916	3,498	66,975	17.05%	1,565	9,633	0.31%
2015	48,653	6,998	388,230	63,455	5,463	5,187	74,106	4,035	64,607	16.64%	1,523	9,232	0.29%
2016	50,112	7,071	404,823	62,190	5,010	9,758	76,958	4,179	67,769	16.74%	1,536	9,584	0.31%
2017	51,615	7,073	415,768	59,860	4,087	8,901	72,848	4,623	64,138	15.43%	1,411	9,068	*
2018	53,163	7,211	443,557	165,140	3,685	12,996	181,821	6,276	171,860	38.75%	3,420	23,833	*
2019	54,758	7,302	435,409	168,660	3,939	12,100	184,699	6,984	173,776	39.91%	3,373	23,798	*
2020	56,401	7,416	458,499	165,785	2,921	11,049	179,755	7,844	168,990	36.86%	3,187	22,787	*

Source: The above information was obtained from the USD 260 financial records and the office of the Sedwick County Clerk

(1) Estimate of district population

*Information not available

Unified School District No. 260, Derby, Kansas

**Ratios of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
and General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years**

Table 10

Fiscal Year	Principal	Interest	Total Debt Service	General Bonded Debt	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures	Ratio of General Bonded Debt to Total General Expenditures
2011	\$ 3,355,000	\$ 356,295	\$ 3,711,295	\$ 7,390,000	\$ 69,565,654	0.05	0.11
2012	2,770,000	237,965	3,007,965	4,620,000	70,138,985	0.04	0.07
2013	3,195,000	2,133,728	5,328,728	69,244,015	75,099,735	0.07	0.92
2014	1,655,000	2,697,038	4,352,038	70,472,525	100,617,770	0.04	0.70
2015	2,684,881	2,769,508	5,454,389	68,642,475	105,570,229	0.05	0.70
2016	3,470,665	2,817,471	6,288,136	71,948,017	86,695,194	0.07	0.83
2017	3,838,880	2,554,336	6,393,216	68,760,718	77,467,807	0.08	0.89
2018	4,495,000 (4)	2,355,371 (4)	6,850,371	178,135,934	81,196,916	0.08	2.19
2019	2,630,000	6,237,838	8,867,838	180,760,193	93,912,860	0.09	1.92
2020	2,875,000	6,947,447	9,822,447	176,834,352	136,344,773	0.07	1.30

Source: The above information was obtained from Unified School District No. 260 financial records

(1) Includes general, special revenue, debt service and capital project funds of primary government only.

(2) Excludes payments by escrow agent totaling \$139,700 in 2010.

(3) Excludes payments by escrow agent totaling \$7,610,000 in 2010.

(4) Excludes payments to escrow agent of \$2,000,000 in principal and \$17,153 in interest.

Unified School District No. 260, Derby, Kansas

**Governmental Activities Direct and Overlapping Debt
Current Year and Nine Years Ago**

Table 11

Government Units	June 30, 2011			June 30, 2020		
	Principal Amount of Debt Outstanding	% Applicable to Taxpayers of USD No. 260 (1)	Total Direct and Overlapping Debt	Principal Amount of Debt Outstanding	% Applicable to Taxpayers of USD No. 260 (1)	Total Direct and Overlapping Debt
Sedgwick County, KS	\$ 78,970,000	9.00%	\$ 7,107,300	\$ 51,850,000	8.64%	\$ 4,479,840
City of Derby, KS	71,330,000	99.16%	70,730,828	59,870,000	99.34%	59,474,858
City of Wichita, KS	487,324,499	0.69%	3,362,539	523,300,000	0.77%	4,029,410
Total Other Government Agencies			81,200,667			67,984,108
Unified School District, Derby, KS	7,390,000	100.00%	7,390,000	165,785,000	100.00%	168,705,649
Total direct and overlapping debt			<u>\$ 88,590,667</u>			<u>\$ 236,689,757</u>

Source: The above information was obtained from the Sedgwick County, Kansas Clerk's Office.

(1) Allocation based on assessed valuation of Derby USD 260 portion of the total assessed valuation for the governmental unit.

Unified School District No. 260, Derby, Kansas

**Computation of Legal Debt Margin
June 30, 2020**

Table 12

Assessed valuation of taxable Tangible property	\$ 458,498,699
Assessed valuation of motor vehicles	<u>44,440,960</u>
Equalized assessed tangible valuation for computation of bonded debt limit	<u>\$ 502,939,659</u>
Debt limit - 14%	\$ 70,411,552
State Board of Education Exemption Authority	<u>116,980,133</u>
Total legal debt authority	187,391,685
Less: Total bonded debt	<u>165,785,000</u>
Legal additional debt limit	<u>\$ 21,606,685</u>

Source: Assessed valuation obtained from Sedgwick County Treasurer

KSA 72-6761; 1997 Suppl. Establishes authority for USD's to have bonded indebtedness of 14% of their equalized assessed valuation (total assessed valuation plus assessed motor vehicle valuation). USD's may apply to the Kansas State Board of Education to exceed the 14% limitation.

Legal Debt Margin Information

	Last Ten Fiscal Years (dollars in thousands)									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Legal debt limit	\$ 60,001	\$ 60,778	\$ 71,970	\$ 71,624	\$ 71,071	\$ 73,501	\$ 75,254	\$ 169,385	\$ 183,557	\$187,392
Total net debt applicable to limit	<u>7,390</u>	<u>4,620</u>	<u>63,175</u>	<u>64,820</u>	<u>63,455</u>	<u>62,190</u>	<u>59,860</u>	<u>165,140</u>	<u>168,660</u>	<u>165,785</u>
Legal debt margin	<u>\$ 52,611</u>	<u>\$ 56,158</u>	<u>\$ 8,795</u>	<u>\$ 6,804</u>	<u>\$ 7,616</u>	<u>\$ 11,311</u>	<u>\$ 15,394</u>	<u>\$ 4,245</u>	<u>\$ 14,897</u>	<u>\$ 21,607</u>
Total net debt applicable to the limit as a percentage of debt limit	12.32%	7.60%	87.78%	90.50%	89.28%	84.61%	79.54%	97.49%	91.88%	88.47%

Source: Prior year annual reports, Derby Unified School District No. 260.

Unified School District No. 260, Derby, Kansas

**Demographic Statistics (1)
Last Ten Fiscal Years**

Table 13

<u>Site (Year Opened 19XX)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Derby High School (93)										
Square Feet	350,000	350,000	350,000	351,277	381,808	381,808	381,808	381,808	381,808	381,808
Capacity (students)	2,400	2,400	2,400	2,400	2,234	2,234	2,234	2,234	2,234	2,234
Enrollment	1,831	1,891	1,900	1,916	1,953	1,935	1,912	1,973	2,020	2,098
Derby Middle School (59)										
Square Feet	179,141	179,141	179,141	193,300	195,417	195,471	195,471	195,471	195,471	195,471
Capacity (students)	1,200	1,200	1,200	1,200	948	1,008	1,008	1,008	1,008	1,008
Enrollment	959	966	1,029	1,056	1,029	862	823	879	866	904
Derby North Middle School (2015)										
Square Feet	-	-	-	-	-	195,000	195,000	195,000	195,000	195,000
Capacity (students)	-	-	-	-	-	900	900	900	900	900
Enrollment	-	-	-	-	-	790	832	820	836	865
Cooper Elementary (54)										
Square Feet	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819
Capacity (students)	304	304	304	304	388	388	388	388	388	388
Enrollment	309	346	321	348	365	372	335	318	324	295
Derby Hills Elementary (85)										
Square Feet	52,800	52,800	52,800	59,735	59,735	59,735	59,735	59,735	59,735	59,735
Capacity (students)	456	456	456	596	596	596	596	596	596	596
Enrollment	382	415	404	421	430	490	527	557	567	555
El Paso Elementary (66)										
Square Feet	53,195	53,195	53,195	49,960	49,960	49,960	49,960	49,960	49,960	49,960
Capacity (students)	456	456	456	484	484	484	484	484	484	484
Enrollment	411	402	392	425	440	274	263	273	299	290
Oaklawn Elementary (55)										
Square Feet	42,957	42,957	42,957	49,149	49,149	49,149	49,149	49,149	49,149	49,149
Capacity (students)	304	304	304	416	416	416	416	416	416	416
Enrollment	239	205	237	283	282	272	291	301	264	294

(continued)

Unified School District No. 260, Derby, Kansas

**Demographic Statistics (1)
Last Ten Fiscal Years**

Table 13

<u>Site (Year Opened 19XX)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Park Hill Elementary (2002)										
Square Feet	52,000	52,000	52,000	52,000	58,110	58,110	58,110	58,110	58,110	64,508
Capacity (students)	456	456	456	456	456	456	456	456	456	466
Enrollment	406	379	383	380	370	351	355	374	365	361
Pleasantview Elementary (55)										
Square Feet	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559
Capacity (students)	304	304	304	304	360	360	360	360	360	360
Enrollment	290	284	280	275	261	288	295	280	261	242
Swaney Elementary (55)										
Square Feet	67,645	67,645	67,645	64,773	64,773	77,045	77,045	77,045	77,045	77,045
Capacity (students)	456	456	456	444	444	507	507	507	507	507
Enrollment	315	313	342	315	304	398	441	439	443	453
Tanglewood Elementary (81)										
Square Feet	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890
Capacity (students)	456	456	456	456	360	360	360	360	360	360
Enrollment	401	428	634	690	692	636	599	587	597	608
Wineteer Elementary (59)										
Square Feet	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330
Capacity (students)	512	512	512	512	568	568	568	568	568	568
Enrollment	411	407	447	438	433	464	453	463	460	490
Administration Center (63)										
Square Feet	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901
Educational Support Center (75)										
Square Feet	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225
Service Center (68)										
Square Feet	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

Source: The above information was obtained from USD No. 260 State Audit and the District Facilities Office.

(1) Based on September 20th head count at district attendance centers.

(2) 2015 capacities were adjusted based on a study from an outside consulting group.

Unified School District No. 260, Derby, Kansas

**Principal Employers
Current Year and Nine Years Ago**

Table 14

Major Employers	Product/Service	2011			2020		
		Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
USD #260	Education	1,086	1	41.6%	1,125	1	49.3%
Dillons	Grocery	271	3	10.4%	188	4	8.2%
Derby Recreation Commission	Recreation	-	-	0.0%	75	7	3.3%
Walmart	Retail Sales	338	2	13.0%	259	2	11.3%
City of Derby	Government	190	4	7.3%	198	3	8.7%
Lowe's Home Improvement	Retail Sales	150	5	5.7%	113	6	5.0%
Kohl's	Retail Sales	104	7	4.0%	-	-	0.0%
Target	Retail Sales	85	8	3.3%	-	-	0.0%
Derby Health & Rehab, LLC	Health Care	-	-	0.0%	69	9	3.0%
Westview Manor	Senior Housing	75	9	2.9%	-	-	0.0%
Derby Family Medical Center	Health Care	68	10	2.6%	-	-	0.0%
BRG Precision Products	Manufacturing	53	11	2.0%	-	-	0.0%
Verus Bank	Banking	29	12	1.1%	-	-	0.0%
Data Net	Insurance Claims	135	6	5.2%	-	-	0.0%
Q Corporation	Manufacturing	26	13	1.0%	-	-	0.0%
Rock Regional Hospital	Health Care	-	-	0.0%	120	5	5.3%
Glen Carr House Memory Care	Health Care	-	-	0.0%	70	8	3.1%
Buffalo Wild Wings (Real Wing, Inc.)	Food Service	-	-	0.0%	65	10	2.8%

Source: City Clerk, Derby, Kansas

Unified School District No. 260, Derby, Kansas

**Staff/Student Information By Building
Last Ten Fiscal Years**

Table 15

Site	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020
Derby High School										
Certified Instructional Staff FTE	96.7	98.1	100.8	97.2	110.5	96.7	100.1	99.1	99.5	100.1
Special Education Instructional FTE	18.9	17.3	16.5	16.5	15.8	17.8	14.8	14.3	20.1	18.5
Certified Non-Instructional Staff FTE	16.0	11.0	5.5	5.0	6.0	7.0	8.0	7.0	8.0	9.6
Enrollment	1,842	1,891	1,900	1,916	1,953	1,935	1,912	1,973	2,015	2,096
Number Free and Reduced Students	642	695	762	920	893	878	854	852	865	889
Percent of Free/Reduced to Total Students	34.9%	36.8%	40.1%	48.0%	45.7%	45.4%	44.7%	43.2%	42.9%	42.4%
Student Teacher Ratio	19:1	19:1	19:1	20:1	18:1	20:1	19:1	20:1	16:1	16:1
Derby Middle School										
Certified Instructional Staff FTE	62.5	56.4	58.4	60.4	58.4	45.4	45.3	45.3	46.4	46.2
Special Education Instructional FTE	13.0	13.0	9.0	8.0	9.0	6.5	5.5	6.5	6.5	6.5
Certified Non-Instructional Staff FTE	6.1	5.0	3.3	3.0	3.0	4.3	5.3	3.0	5.0	5.6
Enrollment	959	966	1,029	1,056	1,029	862	823	879	799	855
Number Free and Reduced Students	444	452	457	498	506	427	419	442	427	436
Percent of Free/Reduced to Total Students	46.3%	46.8%	44.4%	47.2%	49.2%	49.5%	50.9%	50.3%	53.4%	51.0%
Student Teacher Ratio	15:1	17:1	18:1	17:1	18:1	19:1	18:1	19:1	14:1	15:1
Derby North Middle School										
Certified Instructional Staff FTE	-	-	-	-	-	44.3	44.3	44.9	45.4	45.8
Special Education Instructional FTE	-	-	-	-	-	8.5	7.5	8.5	8.5	9.5
Certified Non-Instructional Staff FTE	-	-	-	-	-	4.3	5.3	3.0	5.0	5.0
Enrollment	-	-	-	-	-	790	832	820	836	867
Number Free and Reduced Students	-	-	-	-	-	358	379	375	370	383
Percent of Free/Reduced to Total Students	-	-	-	-	-	45.3%	45.6%	45.7%	44.3%	44.2%
Student Teacher Ratio	-	-	-	-	-	18:1	19:1	18:1	14:1	14:1
Cooper Elementary										
Certified Instructional Staff FTE	26.5	25.3	28.4	3,137.0	29.4	29.4	29.4	26.4	27.3	25.2
Special Education Instructional FTE	3.0	6.2	3.1	3.1	3.0	3.0	3.0	2.0	3.5	3.2
Certified Non-Instructional Staff FTE	1.5	1.5	1.1	1.0	3.0	2.0	1.0	1.0	2.6	2.8
Enrollment	309	346	321	348	365	372	335	318	284	252
Number Free and Reduced Students	270	281	283	294	300	311	273	255	257	228
Percent of Free/Reduced to Total Students	87.4%	81.2%	88.2%	84.5%	82.2%	83.6%	81.5%	80.2%	90.5%	90.5%
Student Teacher Ratio	12:1	13:1	11:1	11:1	12:1	13:1	11:1	12:1	9:1	8:1

(continued)

Unified School District No. 260, Derby, Kansas

**Staff/Student Information By Building
Last Ten Fiscal Years**

Table 15

Site	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020
Derby Hills Elementary										
Certified Instructional Staff FTE	22.1	21.6	23.7	22.8	23.4	33.4	28.5	29.3	31.5	32.4
Special Education Instructional FTE	3.9	4.7	3.6	3.6	3.0	5.0	2.5	2.5	3.0	3.2
Certified Non-Instructional Staff FTE	1.5	1.5	0.9	1.0	2.0	1.5	1.0	1.0	2.6	2.8
Enrollment	382	415	404	421	430	490	527	557	551	534
Number Free and Reduced Students	101	133	133	106	142	147	151	139	149	141
Percent of Free/Reduced to Total Students	26.4%	32.0%	32.9%	25.2%	33.0%	30.0%	28.7%	25.0%	27.0%	26.4%
Student Teacher Ratio	17:1	19:1	17:1	18:1	18:1	15:1	19:1	19:1	15:1	14:1
El Paso Elementary										
Certified Instructional Staff FTE	23.0	24.5	25.5	26.5	25.5	20.4	16.4	16.9	16.9	17.1
Special Education Instructional FTE	1.9	2.3	2.2	2.2	2.0	1.3	1.0	1.0	2.0	2.7
Certified Non-Instructional Staff FTE	2.0	1.5	1.1	1.1	2.5	1.0	1.0	1.0	2.0	2.9
Enrollment	411	402	392	425	440	274	263	273	280	272
Number Free and Reduced Students	200	203	203	208	251	138	117	94	83	86
Percent of Free/Reduced to Total Students	48.7%	50.5%	51.8%	48.9%	57.0%	50.4%	44.5%	34.4%	29.6%	31.6%
Student Teacher Ratio	18:1	16:1	15:1	16:1	17:1	13:1	16:1	16:1	13:1	12:1
Oaklawn Elementary										
Certified Instructional Staff FTE	21.6	21.6	21.4	22.0	22.7	19.8	19.8	21.3	21.3	21.8
Special Education Instructional FTE	3.0	4.0	4.2	2.7	3.7	4.0	4.2	4.2	3.0	4.7
Certified Non-Instructional Staff FTE	2.0	1.5	2.5	0.9	1.0	2.0	2.0	1.0	5.0	5.5
Enrollment	289	240	238	237	283	272	291	301	238	255
Number Free and Reduced Students	221	211	205	206	221	247	257	265	217	236
Percent of Free/Reduced to Total Students	76.5%	87.9%	86.1%	86.9%	78.1%	90.8%	88.3%	88.0%	91.2%	92.5%
Student Teacher Ratio	13:1	11:1	10:1	11:1	12:1	14:1	15:1	14:1	13:1	8:1
Park Hill Elementary										
Certified Instructional Staff FTE	21.2	21.1	22.1	24.1	22.1	20.0	20.5	21.5	21.5	21.8
Special Education Instructional FTE	3.4	3.4	2.4	3.6	3.6	3.0	4.0	4.0	3.0	3.4
Certified Non-Instructional Staff FTE	2.0	1.5	1.5	1.3	2.0	1.4	1.0	2.0	3.0	2.7
Enrollment	411	406	379	383	380	351	355	374	361	358
Number Free and Reduced Students	94	89	82	66	81	79	88	114	111	85
Percent of Free/Reduced to Total Students	22.9%	21.9%	21.6%	17.2%	21.3%	22.5%	24.8%	30.5%	30.7%	23.7%
Student Teacher Ratio	19:1	19:1	18:1	17:1	16:1	18:1	17:1	17:1	13:1	13:1

(continued)

Unified School District No. 260, Derby, Kansas

**Staff/Student Information By Building
Last Ten Fiscal Years**

Table 15

Site	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020
Pleasantview Elementary										
Certified Instructional Staff FTE	20.1	20.1	19.9	19.1	19.1	19.7	18.8	19.8	19.3	16.3
Special Education Instructional FTE	3.7	3.7	1.4	1.7	2.7	1.0	1.3	1.3	1.3	1.1
Certified Non-Instructional Staff FTE	2.0	1.5	1.5	0.9	0.9	2.0	2.0	1.0	1.0	2.2
Enrollment	339	290	284	280	275	288	295	280	259	237.0
Number Free and Reduced Students	172	171	184	181	174	209	193	188	154	138.0
Percent of Free/Reduced to Total Students	50.7%	59.0%	64.8%	64.6%	63.3%	72.6%	65.4%	67.1%	59.5%	58.2%
Student Teacher Ratio	16:1	14:1	14:1	15:1	14:1	14:1	16:1	14:1	12:1	12:1
Swaney Elementary										
Certified Instructional Staff FTE	19.0	19.0	18.4	18.6	18.5	22.4	24.5	24.5	25.4	25.6
Special Education Instructional FTE	5.4	5.4	5.3	5.2	4.2	4.5	4.5	4.5	4.5	5.2
Certified Non-Instructional Staff FTE	2.0	1.5	1.5	0.7	0.7	1.0	1.0	1.0	4.0	4.0
Enrollment	311	315	313	342	315	398	441	439	416	423.0
Number Free and Reduced Students	148	159	153	176	165	220	237	209	222	233.0
Percent of Free/Reduced to Total Students	47.6%	50.5%	48.9%	51.5%	52.4%	55.3%	53.7%	47.6%	53.4%	55.1%
Student Teacher Ratio	16:1	16:1	17:1	18:1	17:1	18:1	18:1	18:1	12:1	12:1
Tanglewood Elementary										
Certified Instructional Staff FTE	20.1	20.1	22.1	22.1	21.1	20.6	19.6	18.6	18.5	19.4
Special Education Instructional FTE	3.7	3.7	4.4	4.6	4.6	4.0	3.7	2.7	2.7	3.2
Certified Non-Instructional Staff FTE	2.0	1.5	1.0	0.7	1.0	1.0	1.0	2.0	4.0	3.5
Enrollment	363	401	428	634	690	636	599	587	600	608.0
Number Free and Reduced Students	97	129	153	136	151	162	161	119	120	121.0
Percent of Free/Reduced to Total Students	26.7%	32.2%	35.7%	21.5%	21.9%	25.5%	26.9%	20.3%	20.0%	19.9%
Student Teacher Ratio	18:1	19:1	19:1	29:1	33:1	31:1	31:1	32:1	24:1	23:1
Wineteer Elementary										
Certified Instructional Staff FTE	30.8	30.8	26.8	30.3	29.3	32.2	31.2	31.6	29.9	30.0
Special Education Instructional FTE	3.2	3.2	5.5	4.2	5.2	4.0	4.0	4.0	3.0	3.2
Certified Non-Instructional Staff FTE	2.0	1.5	2.0	0.9	2.0	1.0	1.0	1.0	4.0	3.5
Enrollment	417	412	407	447	438	464	453	463	441	454.0
Number Free and Reduced Students	191	212	219	243	247	270	265	268	235	251.0
Percent of Free/Reduced to Total Students	45.8%	51.5%	53.8%	54.4%	56.4%	58.2%	58.5%	57.9%	53.3%	55.3%
Student Teacher Ratio	13:1	14:1	13:1	15:1	15:1	14:1	15:1	15:1	12:1	12:1

Source: Kansas State Department of Education.

(1) Derby North Middle School opened with the closing of Derby Sixth Grade Center, June 30, 2015.

Unified School District No. 260, Derby, Kansas

**Miscellaneous Statistics
June 30, 2020**

Table 16

Date of organization		1872
Form of Government		Seven Member Board
Area		50 square miles
Education		
Pre-kindergarten through fifth		171.5 days
Sixth through twelfth		172.5 days
Special Educaiton		172.5 days
Vocational Education		172.5 days
English Speakers of Other Languages		172.5 days
Driver Training		Summer School
Summer School		4 weeks
Support Centers		
Laundry	1	Athletic Facilities
Warehouse	1	Stadiums
Service Center	1	Tennis Courts
Maintenance Center	1	Baseball Diamond
Central Kitchen	1	Gymnasiums
Educational Support Center	1	Track
Administrative Center	1	
Employees		
Administration	44	Transportation
Cerfified	531	Buses
Classifed	497	Vans
Bus Drivers	48	Trucks
		Automobiles

Source: The above inforamtion was obtained from Unified School District No. 260 Business Office

Unified School District No. 260, Derby, Kansas

**Other Operating Statistics
Last Ten Fiscal Years**

Table 17

<u>Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio (1)</u>	<u>Student Attendance Percentage</u>
2011	\$ 69,565,654	6,790	\$ 10,245	-9.43%	537	13:1	94%
2012	70,138,985	6,717	10,442	1.92%	538	12:1	94%
2013	75,099,735	6,866	10,938	4.75%	545	13:1	94%
2014	100,617,770	6,953	14,471	32.30%	528	13:1	93%
2015	105,570,229	6,998	15,086	4.25%	516	14:1	93%
2016	86,695,194	7,071	12,261	-18.73%	537	14:1	93%
2017	77,467,807	7,073	10,953	-10.67%	534	13:1	93%
2018	81,734,423	7,211	11,335	3.49%	531	14:1	93%
2019	93,912,860	7,302	12,861	13.46%	529	14:1	93%
2020	136,344,773	7,416	18,385	42.95%	515	14:1	93%

Source: School District Financial Records, KSDE

(1) Enrollment divided by pupil/teacher ratio to the nearest whole number.

Unified School District No. 260, Derby, Kansas

**Economic Statistics
Last Ten Fiscal Years**

Table 18

Year	Sedgwick County Population		Personal Income (1)	Per Capita Personal Income	Sedgwick County Unemployment Rate
2011	494,241	*	\$ 19,368,100	\$ 38,653	8.0%
2012	498,365	*	20,671,720	41,024	7.0%
2013	503,889	*	21,127,032	41,801	6.4%
2014	505,415	*	23,516,335	46,219	5.4%
2015	508,803	*	25,807,971	50,448	4.8%
2016	511,574	*	25,197,029	49,213	4.8%
2017	511,995	*	(2)	(2)	4.2%
2018	513,687	*	(2)	(2)	(2)
2019	513,607	*	25,222,667	49,101	3.8%
2020	516,042	*	27,619,954	53,776	3.5%

Source: Kansas Statistical Abstract, State of Kansas. All information based on Sedgwick County statistics.

* Designates an estimate

(1) Expressed in thousands of dollars.

(2) Information not available at this time.

Unified School District No. 260, Derby, Kansas

**Bachelor's Teachers Salaries Schedule and FTE
By Range and Step for 2019-2020**

Table 19

Step	B	FTE	B+10	FTE	B+20	FTE	B+30	FTE	B+40	FTE
1	\$ 42,298	31.0	\$ 42,966	0.0	\$ 43,698	0.0	\$ 44,366	1.0	\$ 44,985	0.0
2	42,901	13.0	43,659	1.0	44,533	0.0	45,292	0.0	45,958	0.0
3	43,503	26.0	44,352	12.0	45,369	3.0	46,217	2.0	46,931	1.0
4	44,106	8.0	45,045	16.0	46,204	6.0	47,142	3.0	47,904	1.0
5	44,709	0.0	45,737	4.0	47,039	5.0	48,067	3.0	48,877	3.0
6	45,312	1.0	46,430	1.0	47,875	1.0	48,992	0.0	49,850	1.0
7	45,915	0.0	47,123	1.0	48,710	0.0	49,917	3.0	50,823	3.0
8	46,518	0.0	47,815	0.0	49,546	2.0	50,842	0.0	51,796	0.0
9	47,121	1.0	48,508	1.0	50,381	1.0	51,767	3.0	52,769	5.0
10	47,723	0.0	49,201	0.0	51,217	0.0	52,693	1.0	53,742	5.0
11	48,326	0.0	49,894	0.0	52,052	1.0	53,618	0.0	54,715	7.0
12	48,929	0.0	50,586	0.0	52,887	0.0	54,544	1.0	55,688	5.0
13	49,532	0.0	51,279	0.0	53,723	0.0	55,470	0.0	56,662	4.0
14	50,135	1.0	51,972	4.0	54,558	2.0	56,397	2.0	57,634	17.0
Total FTE by range:		<u>81.0</u>		<u>40.0</u>		<u>21.0</u>		<u>19.0</u>		<u>52.0</u>
Average Teacher's Salary			\$ 48,901							

Unified School District No. 260, Derby, Kansas

**Master's Teachers Salaries Schedule and FTE
By Range and Step for 2019-2020**

Table 20

Step	M	FTE	M+10	FTE	M+20	FTE	M+30	FTE	M+40	FTE
1	\$ 46,463	6.0	\$ 47,247	0.0	\$ 47,872	0.0	\$ 48,435	4.0	\$ 49,066	0.0
2	47,758	1.0	48,601	1.0	49,279	0.0	49,842	1.0	50,531	0.0
3	49,052	12.0	49,955	2.0	50,685	3.0	51,248	1.0	51,996	2.0
4	50,346	7.0	51,309	8.0	52,092	5.0	52,655	1.0	53,461	0.0
5	51,640	4.0	52,663	5.0	53,499	10.0	54,062	3.0	54,926	2.0
6	52,935	4.0	54,017	5.0	54,906	3.0	55,469	2.0	56,391	1.0
7	54,229	4.0	55,371	3.0	56,313	4.0	56,875	3.0	57,856	5.0
8	55,523	1.0	56,725	2.0	57,719	2.0	58,282	2.0	59,321	3.0
9	56,817	3.0	58,079	1.0	59,126	4.0	59,688	3.0	60,786	0.0
10	58,112	0.0	59,433	2.0	60,532	0.0	61,095	1.0	62,251	0.0
11	59,406	0.0	60,788	2.0	61,939	0.0	62,502	1.0	63,716	8.0
12	60,700	1.0	62,142	3.0	63,346	1.0	63,908	2.0	65,181	1.0
13	61,994	1.0	63,495	0.0	64,753	2.0	65,315	2.0	66,646	1.0
14	63,290	3.0	64,847	3.0	66,159	6.0	66,722	6.0	68,109	6.0
Total FTE by range:		<u>47.0</u>		<u>37.0</u>		<u>40.0</u>		<u>32.0</u>		<u>29.0</u>
Average Teacher's Salary	\$ 63,305									

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Unified School District Number 260
Derby, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Unified School District Number 260, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Swindoll Janzen Hawk & Loyd, LLC
Hutchinson, Kansas

December 10, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Unified School District Number 260
Derby, Kansas

Report on Compliance for Each Major Federal Program

We have audited the Unified School District Number 260's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Unified School District Number 260, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Swindoll Janzen Hawk & Loyd, LLC
Hutchinson, Kansas

December 10, 2020

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Disbursements/ Expenditures
<u>U.S. Department of Education</u>			
Direct Program			
Impact Aid - School Assistance in Federally Affected Areas	84.041	DO260	\$ 227,964
Passed Through State Department of Education			
Special Education Cluster (IDEA)			
Special Education - IDEA Part B - Discretionary 2019	84.027	DO260	59,609
Special Education - IDEA - Part B	84.027	DO260	1,371,984
Special Education - IDEA Preschool	84.173	DO260	25,837
Total Special Education Cluster (IDEA)			1,457,430
Title I - 2019	84.010	DO260	119,665
Title I - 2020	84.010	DO260	677,795
Title IIA - FY19	84.367	DO260	23,653
Title IIA - FY20	84.367	DO260	109,156
Title III - FY19	84.365	DO260	47,693
Title III - FY20	84.365	DO260	5,505
Title IV-A - FY19	84.424	DO260	40,875
Title IV-A - FY20	84.424	DO260	21,679
Elementary and Secondary School Emergency Relief Fund	84.425D	DO260	100,913
Career and Technical Education - Carl Perkins Vocational Education	84.048	DO260	72,516
TOTAL U.S. DEPARTMENT OF EDUCATION			2,904,844
<u>U.S. Corporation for National and Community Service</u>			
Passed Through State Department of Education			
Americorps	94.006	DO260	161,891
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			161,891
<u>U.S. Department of Defense</u>			
Direct Program			
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556	HE1254-16-1-0037	33,739
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556	HE1254-16-1-0037	122,006
TOTAL U.S. DEPARTMENT OF DEFENSE			155,745
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	DO260	234,376
National School Lunch Program	10.555	DO260	1,281,330
Summer Food Service Program for Children	10.559	DO260	101,977
Total Child Nutrition Cluster			1,617,683
Fresh Fruit and Vegetable	10.582	DO260	28,956
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,646,639
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			\$ 4,869,119

**DERBY PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT.)
For the Year Ended June 30, 2020

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Unified School District Number 260, Derby, Kansas (the District), under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a modified accrual basis of accounting, which is the same basis of accounting as the fund financial statements accompanying this schedule.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**DERBY PUBLIC SCHOOL
UNIFIED SHOOOL DISTRICT NO. 260
DERBY, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020**

Section 1 – Summary of Auditor’s Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s opinion issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | Yes |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 2. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. Identification of major programs: | |

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Title I – Grants to Local Education Agencies	84.010
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
6. Auditee qualified as a low-risk auditee?	Yes

Section 2 – Findings – Financial Statement Audit

2020-001 CAPITAL ASSETS PRIOR PERIOD ADJUSTMENT

Condition: During 2019-2020 the capital asset system was corrected for depreciation issues noted in prior year and as discussed on the Summary Schedule of Prior Audit Findings. During this process, the District performed a clean up of the database of capital assets. This resulted in a prior period adjustment.

Section 2 – Findings – Financial Statement Audit (Cont.)

2020-001 CAPITAL ASSETS PRIOR PERIOD ADJUSTMENT (CONT.)

Criteria: Internal controls should be in place to ensure accuracy over capital asset records.

Cause: This was caused in part, by human error, and in part by ineffective procedures in place to reconcile capital assets and depreciation.

Effect: The capital asset balances in the June 30, 2019, financial statements had to be restated.

Recommendation: We recommend that processes and procedures be developed to reconcile assets and related depreciation to the general ledger.

Views of Responsible Official and Planned Corrective Actions: Management has already implemented the above recommendations. They are taking annual inventory of capital assets and reconciling the data to their accounting system.

Section 3 – Findings and Questioned Costs – Major Federal Award Programs

U.S. DEPARTMENT OF AGRICULTURE

Title I – Grants for Local Education Agencies CFDA number 84.010

There were no reportable findings.

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA Numbers 84.027 and 84.173.

There were no reportable findings.



**DERBY PUBLIC SCHOOL
UNIFIED SCHOOL DISTRICT NO. 260
DERBY, KANSAS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020**

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

2019-001 Capital Assets

Condition: During 2018, as noted in the prior year audit and communicated by District staff, the District inadvertently removed accumulated depreciation on numerous assets, which removed the beginning accumulated depreciation at July 1, 2017 and effected the computation of prior and current year depreciation amounts. It was also noted that certain assets did not have the depreciation computations activated in the system, which provided for no current depreciation on those assets. There were also several assets that had more depreciation than the original value of the assets.

Recommendation: The District is working through a plan to continue correcting the database so that records agree to the financial statements.

Current status: The District corrected their system for the above noted deficiencies. We no longer consider this point an issue.

2019-002 PRIOR PERIOD ADJUSTMENTS

Condition: There were two prior period adjustments made on the June 30, 2019, financial statements. These related to sick leave upon termination balances and capital lease payable balances.

Recommendation: We recommended that sick leave calculations be updated and processes put into place to reconcile lease schedules to financial statements.

Current status: At the time of issuing the prior year audit report, management had already implemented the above recommendations. We did not find further issues related to sick leave or lease calculations. We no longer consider this point an issue.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No issues in June 30, 2019.